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TODAY: LEISURE Games, Children Play Page 10

When a Car Phone Drives to Distraction

It's Particularly Helpful After the Crash

By Gina Kolata
New York Times Service

NEW YORK — Talking on a cellular telephone while driving may not cause brain cancer, as was once suggested, but two Canadian researchers have evidence that it is hazardous to health.

The investigators report that talking on a cellular telephone while driving is as dangerous as driving while slightly drunk, and for the same reason: the risk of an accident.

Of course, the researchers point out, cellular telephones do have some compensating benefits: 39 percent of the drivers used them to call for help after the crashes.

And, the researchers suggested, it could be the content of the conversations that accounts for the increased risk. A person who is not on the phone cannot be distracted by a shouting match with a boss or a significant other.

The study, by Donald Redelmeier, a professor of medicine, and Robert Tibshirani, a statistician, both of the University of Toronto, involved 699 drivers who had cellular telephones and who had been involved in accidents. The researchers got permission from the drivers to examine their telephone records from the week before their accidents.

After analyzing 26,798 calls, they concluded that the risk of having an accident increased fourfold when drivers were on the telephone. Their paper, published Thursday in The New England Journal of Medicine, said it was the same risk as when a person's blood alcohol level is at the legal limit, which Dr. Redelmeier put at .10 percent.

"I think people should avoid unnecessary calls and keep their conversations brief," while they are driving, Dr. Redelmeier said. Asked if drivers should be banned from using their phones while driving, he said: "As a scientist, my role is to provide objective data on risks and benefits."

"I think a public debate is needed," on whether legislation is desirable, he added.

The Cellular Telecommunications Industry Association, a Washington trade group, concurred with the study's findings, but said it did not favor laws to restrict drivers' use of cellular phones.

At the end of 1996, there were 137 million cellular phones worldwide, the association said, citing statistics from the Swedish telecommunications company Ericsson, a 57 percent increase over 1995.

Michael Goodman, an engineering research psychologist at the National Transportation Safety Administration, noted that several countries, including Brazil, Israel and Switzerland, have laws restricting drivers from using cellular phones. There are no such laws in the United States or many other countries.

With more than 35 million cellular phones in use in the United States and more than 80 million expected to be in use by 2000, Dr. Goodman said, "it's a growing problem if it is a problem."

The study pleased some statisticians because, they said, it so cleverly answered a seemingly unanswerable question. That is, how to determine that what looks like truth really is true: Driv-

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U.S. Stocks Surge Past 7,000 Level

The Dow Jones industrial average crossed 7,000 points Thursday for the first time, and despite a rally that has seen the blue-chip indicator rise more than 8 percent so far this year, the feeling on Wall Street seemed to be that further gains were in the cards.

The 30-stock average closed at a 7,022.44, up 60.81 for the day. Broader market indexes also were in record territory, although gains were moderate for the Nasdaq index, which includes many smaller issues.

The rise in stocks has been fueled by American retirement savings, foreign investors attracted by a strong dollar, rising corporate profits and a benign inflation outlook — all of which should continue, analysts said. Page 13.

The Dollar

New York	Thurs.	@ 4 P.M.	previous close
DM		1.5843	1.587
Pound		1.6238	1.6305
Yen		124.405	124.275
FF		5.686	5.689

The Dow

	Thursday close	previous close
+60.81	7022.44	6961.63

S&P 500

change	Thursday @ 4 P.M.	previous close
+9.06	811.83	802.77

Will Burgess/Reuters

Chinese police outside the South Korean Embassy in Beijing on Thursday after Seoul requested tighter security.

Defector Has China Torn Between Two Koreas

Seoul Says Official Wrote Letter Depicting A North Gone Mad

Compiled by Our Staff From Dispatches

SEOUL — China was torn between loyalty to a communist comrade and its new capitalist friend Thursday as the two Koreas squabbled over the fate of a Pyongyang defector protected by Chinese troops in Seoul's mission in Beijing.

In a bid to win freedom for Hwang Jang Yop, a pillar of North Korea's Stalinist establishment, South Korea released a letter it said was from the defector describing the agony of his flight from a starving nation he said had gone mad.

China deployed troops around the building, partly to stop North Koreans lurking in cars outside from bursting in. But in an apparent sign of impatience with Seoul's public diplomacy, Chinese officials avoided meeting an envoy sent by the South Korean government.

Seoul increased the state of alert of its military, and Pyongyang warned of unspecified countermeasures against South Korea.

"I tormented and tormented over this," Mr. Hwang is reported to have said in the four-page signed note written in the diplomatic compound, where he arrived with an aide by taxi on Wednesday.

The letter said that Mr. Hwang, a member of the Communist Party Central Committee, did not believe North Korea would collapse, despite widespread food shortages and a crumbling economy.

While acknowledging that his "family and others will think me crazy," in the letter, Mr. Hwang attacked those in the North who talked of turning the South into a "sea of fire" while proposing national unification.

"How could you regard this as the behavior of sane people?" asked Mr. Hwang, one of the architects of Pyongyang's self-reliance philosophy, known as *juche*, and the most senior official ever to seek refuge in the South.

"Can we call people sane when they talk of having built a utopia for the

See KOREAN, Page 12

Desertion New Blow to Pyongyang

By Kevin Sullivan
and Steven Mufson
Washington Post Service

BEIJING — Armed soldiers ring the building and Communist agents lurk in parked cars. Diplomats trade frosty Cold War accusations of kidnapping and treachery; others whisper of body-doubles. Cloistered behind the walls, at the center of all the intrigue, a silver-haired defector with a head full of secrets straddles the worlds of communism and democracy.

It is so much like a spy novel it ought to have page numbers. But the goings-on at the South Korean Embassy in Beijing are a real-life drama with enormous consequences that reach from East Asia to Washington.

The man inside the embassy is Hwang Jang Yop, 72, the highest-ranking defector ever to betray the Stalinist regime in North Korea. He and an aide arrived at the embassy in a taxi Wednesday morning, supporting his request for asylum with a handwritten statement denouncing North Korea, according to South Korea.

Agence France-Presse

A photo released by Seoul on Thursday that it said showed Hwang Jang Yop writing his statement at the South Korean diplomatic compound in Beijing.

But the North Koreans say the South Koreans have kidnapped Mr. Hwang, the North's leading theoretician, a top aide to leader Kim Jong Il and a chief architect of the North's guiding philosophy of *juche*, or self-reliance.

They say Mr. Hwang, a leading member of the Workers' Party of Korea, is being held against his will.

North Korean officials sit in parked cars outside the compound, and Seoul officials say agents of Pyongyang tried

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Pact Opens Way in U.S. For RU486

By Caryle Murphy
Washington Post Service

WASHINGTON — The holder of the U.S. marketing rights to the French abortion pill has settled a lawsuit and will now try to bring the drug to the United States by the end of the year.

The settlement, announced Wednesday, ended a dispute between the rights holder, a nonprofit family-planning organization in N. w York called the Population Council, and a California businessman, Joseph Pike, over control of selling the pill.

The council had contracted with Mr. Pike in 1995 to market and distribute the drug, mifepristone, known as RU486. Under the settlement, Mr. Pike retained a small equity interest in the product.

The council also announced that it had set up a new company, Advances for Choice, to sell it.

Taken in the early weeks of pregnancy, mifepristone induces an abortion. The U.S. Food and Drug Administration said in September that the drug was "approvable," meaning it was safe and effective, but asked for more information on manufacturing and la-

PILL, See Page 12

Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Rials
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,900 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

Genius of Termites Provides Model for an Office Complex

By Donald G. McNeil Jr.
New York Times Service

HARARE, Zimbabwe — Africa owes its termite mounds a lot. Prospectors mine them, looking for specks of gold carried up from hundreds of feet below. Africans building mud huts love them, because the grainy soil inside is just the right consistency for hard-packed floors. And of course, to aardvarks and other insectivores they are giant helpings of baked alaska.

Now, Africa is paying an offbeat tribute to these ugly towers of bug-holed mud. Harare's newest office complex is said to be the only one in the world to use the same cooling and heating principles as the termite mound.

Termite mounds are marvels of engineering. Deep inside, the insects farm a fungus, their only food. It must be kept at exactly 87 degrees Fahrenheit (30.5 centigrade), while the temperatures on the African veld outside range from 35 at night to 104 Fahrenheit during the day (1.6 to 40 centigrade).

They do it by venting breezes in at the base of the mound, down into chambers cooled by wet mud carried up from water tables far below, and up through a flue to the peak. Toiling with the tirelessly compulsive work ethic of all ants, they constantly dig new vents and plug old ones to regulate the temperature.

Temperature regulation is a struggle familiar to any architect. Mick Pearce of the Pearce Partnership was given a challenge by Old Mutual, an insurance and real estate conglomerate: build an office block that would be livable with no air-conditioning and almost no heating.

Eastgate, the result, has been open for only nine months, but so far Mr. Pearce seems to be succeeding. The complex has been using less than 10 percent of the energy of a conventional building its size. Old Mutual saved $3.5 million on a $36 million building because an air-conditioning plant didn't have to be imported. The savings on electricity are passed on to tenants, so rents are 20 percent lower than those in a building next door.

The complex is actually two buildings linked by bridges across a shady, glass-roofed atrium open to the breezes. Fans suck fresh air in from the atrium, blow it upstairs through hollow spaces under the floors and from there into each office through baseboard vents. As it rises and warms, it is drawn out through ceiling vents. Finally, it exits through 48 round brick chimneys that make the roof look to some like the chimney pots of Dickensian London and to others like the smokestacks of the Queen Mary.

To keep the harsh highveld sun from heating the interior, no more than 25 percent of the outside is glass, and all the windows are screened by an unusual form of sunshade: racks of cement arches that jut out more than a yard.

During summer's cool nights, big fans flush air through the building seven times an hour to chill the hollow floors. By day, smaller fans blow

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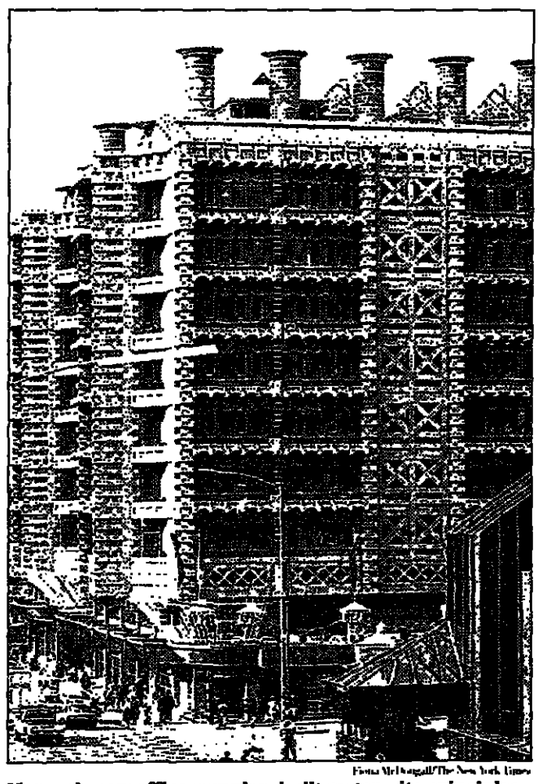

Fiona McDougall/The New York Times

Harare's new office complex, built on termite principles.

AGENDA

Tajik Warlord Kills UN Hostage

DUSHANBE, Tajikistan (AP) — A Tajik warlord had one of his gunmen shoot and kill a UN military observer, one of 14 people who are being held hostage in the former Soviet republic, Russian news agencies reported Thursday.

The warlord, Bakhram Sadirov, had promised to free the hostages — eight UN workers, four Russian journalists, their driver and the Tajik security minister — once 40 guerrillas were flown home from neighboring Afghanistan.

Itar-Tass and Interfax quoted their correspondents, who are among the hostages, on the shooting. The kidnappers have been allowing their journalist hostages to call their Russian agencies by satellite telephone.

A UN official in New York said the report had yet to be confirmed.

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Secular Turks Are Alarmed By Resurgence of Religion

By Stephen Kinzer
New York Times Service

SINCAN, Turkey — Scenes that unfolded in this working-class suburb of Ankara over the last few days have stunned millions of Turks who want to believe that their country, even though it is now governed by an Islamist prime minister, will remain a secular democracy.

On one recent evening, several hundred people jammed a hall in Sincan to celebrate "Jerusalem Day," a holiday proclaimed 17 years ago by Ayatollah Ruhollah Khomeini of Iran. Their host was the local mayor, and the evening's guest of honor was the Iranian ambassador, Muhammed Reza Bagheri.

When Mr. Bagheri arrived, the crowd erupted with chants of "Down with Israel! Down with Arafat!" He then stepped to the podium and delivered a fiery speech demanding that Muslims obey the Sharia, the law of the Koran.

"On behalf of Muslims all over the world, I say that we can wait no longer," the ambassador declared. "Do not be afraid to call yourselves fundamentalists. Fundamentalists are those who follow the words and actions of the Prophet. God has promised them the final victory."

Tensions between religious and secular Turks have been rising in recent months, and the Sincan episode convinced senior military officers, who view themselves as defenders of the secularist ideology that has guided Turkey since 1923, that it was time to

See TURKEY, Page 12

U.S. Probes Chinese Role In Funding Democrats

By Bob Woodward
and Brian Duffy
Washington Post Service

WASHINGTON — A Justice Department investigation into improper political fund-raising activities has uncovered evidence that representatives of the Chinese government sought to direct contributions from foreign sources to the Democratic National Committee before the 1996 presidential campaign, officials familiar with the inquiry said.

Sensitive intelligence information shows that the Chinese Embassy in Washington was used for planning contributions to the Democratic committee, the sources said. Some information was obtained through electronic eavesdropping conducted by federal agencies.

The information gives the Justice Department inquiry what is known as a foreign counterintelligence component, elevating the seriousness of the fund-raising controversy, according to some officials.

The sources declined to provide details about the scope of the evidence relating to the alleged efforts by the Chinese representatives. They also declined to specify what foreign contributions might have been involved, but they said that the new evidence being scrutinized was serious.

A Chinese Embassy spokesman denied Wednesday that his government had anything to do with improper efforts to influence the Clinton administration. "We have done nothing of that sort," the spokesman said.

The evidence relating to the Chinese government led Justice Department lawyers and FBI officials to increase the number of FBI special agents working on an investigative task force from a handful to 25, including several specialists in foreign counterintelligence investigations, the sources said.

The new dimension to the fund-raising investigation could result in Attorney General Janet Reno's eventually

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INTERNATIONAL HERALD TRIBUNE, FRIDAY, FEBRUARY 14, 1997

New Respectability / **Despised by Some, Ignored by Nobody**

East German Communists Come Out of the Cold

By John Schmid
International Herald Tribune

SUHL, Germany — When the East German Communist Party collapsed with the Berlin Wall, true believers like Klaus Lamprecht were left in the political wilderness.

Few saw any hope for the new party of reformed Communists that limped out of the ruins of the old regime. Mainstream parties ostracized them. Membership fell to 100,000 from 2.3 million. Many leftovers were elderly and died off. Others resigned in disgrace because of links to the hated secret police. Because of his activism for the old regime, Mr. Lamprecht himself was fired in 1994 from his job as a grade-school teacher.

Today, the renamed Party of Democratic Socialism has become a vigorous political force, boasting a solid base in its home territory in Eastern Germany and causing political dilemmas for the mainstream parties in Western Germany.

"I believe in striving toward a society based on social equality" said Mr. Lamprecht, a self-proclaimed socialist and city councilman in Suhl, an East German city of 54,000 where the Party of Democratic Socialism controls the biggest bloc of seats.

Other mainstream parties may continue to despise the former Communists, but they no longer can ignore a party that successfully exploits the disillusion of unification, making it the third biggest in the East.

The Party of Democratic Socialism has mayors in 180 cities and 6,000 city councilmen spread across the eastern region. It holds 30 of the 652 seats in the federal Parliament and it brokers the balance of power in the Saxony-Anhalt statehouse, where a teetering minority coalition of Social Democrats and Greens would collapse if the Democratic Socialist bloc ceased to "tolerate" it any longer.

POLLS give the Democratic Socialists about 20 percent of the vote in the eastern states, up from 8 percent in 1990.

Although their support in the West is almost negligible, the Democratic Socialists want to break out of their role as permanent opposition and have enlisted a roster of well-known supporters, such as the author Guenter Grass, mainstream trade unionists, theologians and even members of the main leftist opposition blocs, the Social Democratic Party and the ecologist Green Party.

The comeback coincides with a slumping East German economy, mass unemployment, a year of spectacular bankruptcies in the east and a charge led by politicians in Western Germany to diminish welfare entitlements.

"What we always used to say about capitalism has proved itself correct," said Mr. Lamprecht, sitting in the Suhl party office, where the bookshelves are lined with the complete works of Marx, Engels and Lenin.

Agence France-Presse
Gabi Zimmer, a leader of the former Communists: "We are not arrogant."

The Party of Democratic Socialism has begun grooming itself as an acceptable party of the democratic left, able to enter into alliances and coalitions. It devoted its national party convention last month to modernizing itself and repressing its hard-line Marxist anti-capitalists.

The centerpiece of the party's congress was the adoption of an ambitious resolution "to put an end to the conservative hegemony" by teaming up in a three-party coalition with the Social Democrats and Greens in next year's national elections to unseat Chancellor Helmut Kohl's center-right alliance.

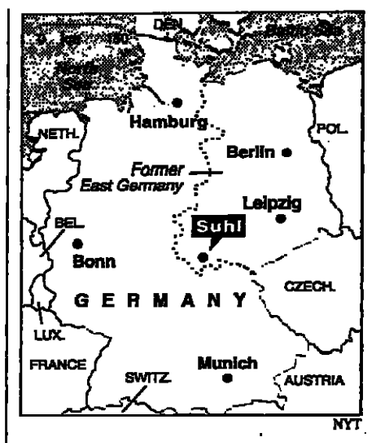
Any Democratic Socialist-Social Democratic link would be anathema to many West German voters, who make up 80 percent of the electorate. Social Democratic and Green Party leaders rejected the offer, even though the Democratic Socialists could constitute crucial support for a leftist alliance.

Working to end their status as political pariahs, the Democratic Socialists have aligned many of their positions with the moderate left in Western Germany. Like the Social Democrats they resist Mr. Kohl's efforts to scale back welfare. Like the western labor unions, they endorse a cut in working hours to redistribute work to the unemployed, and they defend nationwide collective bargaining. Like the Greens, they oppose sending German troops abroad.

THEY also claim they are openly critical of the totalitarian excesses of the old regime and want to work within the new democratic framework, even as many espouse Marxism as their underlying ideology.

The party's old radical streak still shows. It wants to delay a single European currency in 1999, again with an argument aimed at its eastern constituents: Germany's shotgun 1990 currency union using the hard Deutsche mark obliterated eastern jobs, industry and exports.

As Bonn struggles to lower its deficits, the Democratic Socialists have few qualms about deficit spending and instead propose new spending on job creation. And they are vague on what many see as the main drag on the economy, high labor costs and payroll



NYT

deductions to finance costly social benefits.

In cities where the Democratic Socialists dominate, the quality-of-life difference is more rhetorical than political. That is because East German politicians of all stripes, not just the Democratic Socialists, demand higher subsidies and more state-sponsored jobs as their top priority.

BUT the Democratic Socialists say they press their demands with more passion, often borrowing language from the old system that still resonates strongly with East Germans, according to Gabi Zimmer, a high-ranking party leader from its reform wing. Miss Zimmer talks about the "fundamental human right" to have a job; Mr. Lamprecht speaks fondly of his party *Genosse*, using the old East German Communist Party term for comrade.

"One of our roles is making sure that the issue of mass unemployment does not fall from the table," Miss Zimmer said. She added: "Many do not expect us to help, but we do listen and we are not arrogant."

Drawing attention to the party's banner issue, Miss Zimmer speaks of a "second wave of de-industrialization" in Eastern Germany. Record bankruptcy statistics across the five eastern states bear her out.

Many in the East and West refuse to legitimize the Democratic Socialist party, which the federal Interior Ministry warns has ties to leftist extremists. Just before Christmas, eight prominent Social Democratic and Green members defected all the way across the spectrum to Mr. Kohl's conservative Christian Democrats because their parties were flirting with the Democratic Socialists.

All this has heartened Mr. Kohl's strategists, who reckon that anti-Communist fears will drive West German voters into Mr. Kohl's arms.

But Mr. Kohl's own advisers and polls reportedly say that red-baiting risks alienating voters in the East.

Bucaram Assails Ecuador's 'Coup'

He Seeks Argentine Support

Agence France-Presse

BUENOS AIRES — The deposed Ecuadoran president, Abdala Bucaram, said Thursday that he was ousted by a coup d'état and that his country was now run by a dictatorial regime.

"I am the president because I was never beaten in elections, and now there's a dictatorship in Ecuador," Mr. Bucaram said after flying in from Panama for a private visit.

The National Congress declared Mr. Bucaram "mentally incompetent" last week after protests against austerity measures that sent prices for basic goods soaring.

After an interim period that at one point had three people claiming to be president, the former leader of the legislature, Fabian Alarcon Rivera, was elected interim president Tuesday by 57 of 65 lawmakers present. He replaced Vice President Rosalia Arteaga, who held the presidency for two days.

Mr. Bucaram is now touring Latin America to drum up support for his reinstatement.

While in Argentina, he was scheduled to meet with President Carlos Saul Menem, who Wednesday pledged his "unqualified support" to restoring peace and democracy in Ecuador but did not mention either Mr. Bucaram or Mr. Alarcon.

■ On Stage, the Dancer

Diana Jean Schemo of The New York Times reported from Quito, Ecuador:

With the congressional election of Mr. Alarcon as interim president, a flamboyant and unpredictable leader nicknamed *El Loco*, or the madman, has been replaced by his virtual opposite: a consummate deal-maker known as *El Bailarino*, the dancer.

While Mr. Bucaram rapidly alienated his country with his economic austerity measures, Mr. Alarcon has no known economic orientation or blueprint for the country. The congressional resolution that brought him to office nullified his predecessor's policies.

But some analysts say that Mr. Alarcon, 49, a career politician, owes his rise to this lack of clear-cut policies and his considerable negotiating skills.

Mr. Alarcon, who will govern until August 1998, has never run for national office. But he has held the presidency of Congress three times, even though his party, the Radical Alfarista Front, has never held more than two seats.

Simon Pachano, a professor at the Latin American Academy for Social Sciences, called the new interim president a "typical product" of Ecuador's highly splintered political system. The 82-member Congress has 17 political parties.

"He's situated himself in the extreme center, giving him the ability to bargain very easily with the right, left and populists," Mr. Pachano said.

The man he replaces, Mr. Bucaram, accused of corruption and nepotism, was removed within six months of his election as nationwide protests spread against his economic measures.

Although it was Mr. Bucaram's economic policies that undermined his mandate, Mr. Alarcon is not considered an opponent of privatization or government subsidies.

"He is only known in the political field as being very skillful," said Alberto Acosta, an economist.

Some analysts contend that the political deal-making qualities that won him the presidency are also a handicap.

He has made unlikely alliances over time and dropped them when they no longer served him.

One diplomat here said Mr. Alarcon was carried by the political winds, rising because there is nothing behind him." That was exactly the opposite, he added, of what Ecuador needed to confront its problems.

"Somebody has to talk straight and honest to the Ecuadoran people, open up the bank vault and say, 'Look, there ain't much here,'" the diplomat said. "Once international lines of credit get shut off, this country will go down the chute."

I Won a Bet of Cosmic Singularity, and Got This T-Shirt

By Malcolm W. Browne
New York Times Service

NEW YORK — Dr. Stephen Hawking of Cambridge University — the brilliant theorist regarded as one of Albert Einstein's intellectual successors — has conceded defeat in a famous bet he made six years ago on a matter of cosmic significance.

The bet he made with two professors at the California Institute of Technology was that naked singularities could not exist, and now, it seems, they could — maybe.

During a visit to Caltech last week, Dr. Hawking, the author of "A Brief History of Time," a book that delves into the origins of the universe, conceded defeat "on a technicality" to Dr. John Preskill and Dr. Kip Thorne. The stake was for £100 plus clothing "embroidered with a suitable concessionary message."

A singularity is a mathematical point at which space and time are infinitely distorted, where matter is infinitely dense and where the rules of relativistic physics and quantum mechanics break down.

Singularities are believed to lurk at the hearts of black holes, which conceal their existence from the outer world. A naked singularity would be a singularity bereft of a concealing black-hole shell and therefore visible, in principle, to outside observers.

Although neither light nor any other kind of signal can escape from them, a half dozen or so black holes have been revealed by their gravitational effects on nearby stars.

Black holes have also betrayed their presence by sucking in matter from nearby space. As it spirals toward the hole, the matter is heated to incandescence and the emission of X-rays and other radiation has been detected by observatories in space and on the ground.

Dr. Hawking, Dr. Preskill and Dr. Thorne are leaders in the study of relativity as applied to cosmology, and they meet often at scientific symposiums.

Subjects they take up often include conjectures about time machines, relativistic tunnels called wormholes to distant points in space and time, and the origin of the universe. It was at such a meeting in 1991 that Dr. Hawking, although he was unable to prove his disbelief in naked singularities, proposed his bet to Dr. Preskill and Dr. Thorne. Because of its far-reaching theoretical implications, news of their bet spread among physicists throughout the world.

Dr. Preskill and Dr. Thorne won the bet last week on the strength of supercomputer calculations by Dr. Matthew Choptuik of the University of Texas in Austin. Dr. Choptuik concluded from his mathematical analysis that there could be special circumstances in which a naked singularity might be created from a collapsing black hole, either by nature or perhaps even by some advanced civilization.

"There's one naked singularity that existed: the Big Bang – the universe itself."

The chance of this happening, Dr. Choptuik said in an interview, would be comparable to standing a pencil upright on its sharpened tip — although it is improbable, it is theoretically possible.

No one has ever seen or directly detected a singularity, much less a naked singularity. The very word "singularity" reflects the failure of scientists to adequately explain what this bizarre object is, what it does and how it stands in relation to the rest of the universe or parallel universes.

Singularities within black holes are deduced from relativity theory as the result of the gravitational collapse of degenerate stars 1.6 times the mass of the sun or greater. At a certain point, the space around the collapsing object becomes infinitely curved, trapping any light that might impinge on it and forming a black hole.

Some theorists believe in a cosmic censorship that is supposed to thwart all efforts to see naked singularities. But some weighty questions may be resolved by investigating naked singularities, including an explanation of the Big Bang, a naked singularity that is believed to have created man's universe 15 billion years ago (and perhaps an infinity of other universes in other spaces and times).

Dr. Hawking, who is paralyzed but speaks electronically by tapping out words on a telegraph key, said that even in light of the new calculations, there is no "generic" way in which naked singularities might form according to the known laws of physics.

But Dr. Preskill replied: "Stephen, I'm surprised to hear you, of all people, say that. There's one naked singularity that we all agree existed: the Big Bang — the universe itself."

Dr. Hawking declined to yield unequivocally on his bet. He made another bet with the Caltech physicists last week that although a very limited set of conditions had been found for creating naked singularities, no general conditions would be found.

And what was supposed to be the concessionary message from the bet that Dr. Hawking had printed on the T-shirts was hardly an admission of defeat: "Nature Abhors a Naked Singularity."

TRAVEL UPDATE

American Airline Walkout Looms

WASHINGTON (AP) — With a strike deadline looming Friday, American Airline officials Thursday took a hard line against a compromise offered by its pilots.

The union representing American pilots told the company that it would agree to lower salaries for pilots operating regional jets if the company accepted its other demands.

American Airlines was scheduling its passengers on other airlines to assure their planes were not left overseas if there was a pilot walkout. All Friday flights to Europe, Japan, the Caribbean, Central and South America were canceled.

India Calls for Anti-Crash Radar

NEW DELHI (AFP) — India is to ban aircraft from its airspace unless they are equipped with anti-collision radar, officials said Thursday.

Sources at the Director General of Civil Aviation, a government watchdog agency, said the safety rules would be applied from March or April for planes with a capacity of 10 or more passengers.

The Spanish national confederation of taxis on Thursday urged its members nationwide to join a week-long truckers' strike on Monday to support the truckers' demands for lower fuel prices and a lower retirement age. *(AFP)*

Hong Kong is to open for traffic Thursday two major access roads linking the new Chek Lap Kok airport, built on reclaimed land on Lantau island, and the adjoining town Tung Chung to Hong Kong island. *(AFP)*

Spanish Trucker Is Killed in Strike Violence

Agence France-Presse

MADRID — A weeklong truckers' strike that has paralyzed major roads across Spain turned violent Thursday with the death of a striker and acts of sabotage against foreign and nonstriking truck drivers.

Carmelo Ausin Pena was run over in the northern city of Burgos overnight after trying to stop a French truck driver from forcing his way through a picket line on a national highway running to the Portuguese border.

The strikers are demanding retirement at 60, recognition of professional illnesses and a reduction in the cost of gasoline.

Their roadblocks have caused virtual gridlock on major roads across the country, particularly in the Basque, Santander and Catalonia regions in northern Spain, running up millions of dollars in losses.

Organized by the national Federation of Transport Associations, the strike has had an impact outside Spain due to sabotage by Spanish truckers against foreign or nonstriking drivers.

In Santander, where strikers are preventing about 300 Spanish and foreign drivers from continuing their journeys to the north, a French trucker, Alain Grandjacques, accused the strikers of "beating us, slashing our tires, ripping our tarpaulins." He called it "unacceptable, gratuitous violence."

About 500 Portuguese truckers, reacting to the violence, are refusing to cross the border into Spain, and French authorities have advised French drivers to avoid deliveries in the north of the country.

The truckers' union chose to boycott a meeting called by the government Thursday to discuss problems in the industry.

The strike movement broadened Thursday with taxi unions calling on its members to back the truckers by starting a strike Monday. They also want to take part in any negotiations with the truckers.

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Russians Sue Forbes Magazine for Libel

The Associated Press

MOSCOW — Forbes magazine has been sued for libel by a leading Russian government security official over an article that tied him to a highly publicized murder.

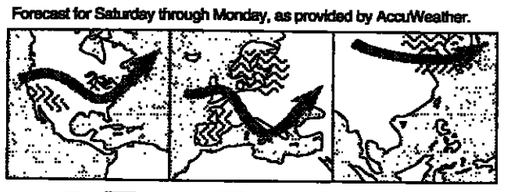
The official, Boris Berezovsky, deputy secretary of Russia's Security Council and one of Russia's most influential businessmen, filed the suit Wednesday in London's High Court.

Joining him in the suit against Forbes Inc. is Nikolai Gloushkov, first deputy managing director of Aeroflot, Russia's national airline.

In Forbes's Dec. 30 issue, an article headlined "Godfather of the Kremlin?" called Mr. Berezovsky a "powerful gangland boss and the prime suspect in Russia's most famous murder investigation" — that of the slain television executive Vladislav Listyev. Forbes also reported that Mr. Gloushkov was convicted in 1982 for the theft of state property.

WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather.



North America Cold air will shift from the Great Lakes into the mid-Atlantic and Northeast Sunday and Monday; milder weather returns to the Great Lakes Monday. The West and Rockies will be mild through Monday, though cooler and unsettled weather pushes into the Northwest Monday.

Europe Cold air will make a push into northeast Europe from Scandinavia Sunday and Monday. Italy and southeast Europe will be cool and unsettled through the weekend. Near- to above-normal temperatures across Western Europe with a return to windy and damp weather in the northwest by Monday.

Asia Colder air will drop across eastern Mongolia, Manchuria and northeast China this weekend. A weak front will cross the Koreas Saturday, followed by a chilly shot Sunday and Monday. Mild over much of Japan through Sunday; stormy Sunday, then colder Monday.

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	18/64	9/48 s	17/62	9/48 pc
Amsterdam	5/41	0/32 sh	4/39	-2/28 c
Ankara	16/60	-3/27 r	8/46	-1/31 sh
Athens	17/62	8/46 pc	18/64	11/52 sh
Barcelona	17/62	10/50 c	13/55	4/39 s
Belgrade	6/43	2/35 c	14/57	6/43 sh
Berlin	6/43	2/35 c	5/41	-4/25 c
Bermuda	8/46	5/41 r	8/46	3/37 s
Budapest	6/43	1/34 c	7/44	3/37 sh
Copenhagen	4/39	-2/29 sn	0/32	-4/25 sn
Costa Del Sol	18/68	8/46 pc	18/64	9/48 s
Dublin	7/44	3/37 sh	8/46	7/44 pc
Edinburgh	6/43	2/35 pc	8/43	2/35 pc
Florence	11/52	3/48 sh	16/61	3/37 pc
Frankfurt	8/46	1/34 sh	5/41	-2/28 c
Geneva	7/44	4/39 c	4/39	-3/27 r
Helsinki	-2/28	-11/13 c	-7/20	-15/6 c
Istanbul	13/55	4/39 sh	14/57	9/48 s
Las Palmas	21/70	15/59 pc	21/70	14/57 s
Lisbon	15/59	8/46 pc	15/59	9/48 s
London	9/48	5/41 r	8/46	3/37 s
Madrid	13/55	7/44 s	16/61	5/41 s
Mallorca	16/61	11/52 c	12/53	6/43 s
Milan	8/46	4/39 sh	12/53	-2/28 c
Moscow	3/37	0/32 r	2/35	-8/22 sf
Munich	7/44	3/37 sh	9/48	-2/28 c
Nice	15/59	11/52 sh	14/57	4/39 pc
Oslo	-5/24	-9/16 s	-8/18	-18/6 pc
Paris	11/52	8/43 sh	7/44	-1/31 pc
Prague	6/43	0/32 c	4/39	-2/28 pc
Reykjavik	1/34	-2/28 sn	1/34	-1/31 sn
Rome	17/62	12/53 pc	16/61	6/43 pc
St. Petersburg	-1/31	-9/16 sn	-7/20	-14/7 pc
Stockholm	0/32	-8/18 pc	-4/25	-11/18 sn
Strasbourg	7/44	7/44 r	7/44	-3/27 r
Tallinn	-5/24	-14/7 c	-8/18	-18/4 c
Venice	8/46	6/43 sh	13/55	1/34 pc
Vienna	8/46	1/34 pc	3/37	-2/28 pc
Warsaw	6/43	0/32 c	-1/31	-9/16 s
Zurich	4/39	4/39 sn	4/39	-4/25 r

Middle East

Abu Dhabi	22/71	12/53 s	23/73	13/55 s
Beirut	15/59	10/50 pc	16/61	13/55 sh
Cairo	16/61	8/46 s	18/68	11/52 pc
Damascus	11/52	2/35 s	13/55	6/41 pc
Jerusalem	11/52	2/35 s	13/55	6/43 pc
Luxor	21/70	1/34 s	23/73	4/39 s
Riyadh	19/66	5/43 pc	20/68	7/44 pc

North America

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Anchorage	0/32	-9/16 sn	-2/29	-11/13 pc
Atlanta	10/50	3/37 sh	12/53	1/34 pc
Boston	3/37	1/34 sn	7/44	-5/24 pc
Chicago	0/32	-8/18 c	-1/31	-12/11 sf
Dallas	6/43	-1/31 r	13/53	1/34 s
Denver	8/46	-5/24 pc	7/44	-8/22 pc
Detroit	1/34	-9/22 c	0/32	-11/13 sf
Honolulu	27/80	19/66 s	27/80	20/68 pc
Houston	10/50	0/32 pc	16/61	3/37 pc
Los Angeles	24/75	7/44 s	28/79	9/48 pc
Miami	27/80	21/70 pc	27/80	18/64 pc
Minneapolis	-4/25	-13/9 c	-9/22	-17/2 pc
Montreal	-1/31	-7/20 sn	-4/25	-17/2 pc
Nassau	27/80	20/68 s	28/82	20/68 pc
New York	4/39	1/34 sn	7/44	-2/28 pc
Orlando	23/73	18/64 t	22/71	11/52 c
Phoenix	20/68	7/44 s	23/73	10/50 s
San Fran.	17/62	8/46 pc	17/62	9/48 pc
Seattle	8/46	6/43 sh	10/50	6/43 pc
Toronto	-3/27	-8/18 sn	-5/24	-16/4 pc
Vancouver	9/48	6/43 sh	13/55	8/46 pc
Washington	6/43	2/35 c	8/46	-2/28 pc

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Bali	32/89	23/73 pc	33/91	23/73 pc
Bangkok	32/89	23/73 pc	31/88	23/73 c
Beijing	8/46	-4/25 c	1/34	-10/14 s
Bombay	31/88	16/61 s	30/86	16/61 s
Calcutta	29/84	14/57 s	28/82	16/61 s
Chiang Mai	33/91	22/71 pc	32/89	23/73 c
Colombo	29/84	21/70 pc	29/84	21/70 pc
Hanoi	21/70	17/62 pc	23/73	13/55 c
Ho Chi Minh	32/89	23/73 t	33/91	23/73 pc
Hong Kong	19/66	16/61 pc	21/70	17/62 c
Islamabad	18/64	1/34 s	17/62	1/34 s
Jakarta	29/84	23/73 pc	29/84	23/73 pc
Karachi	28/79	11/52 s	29/77	11/52 s
K. Lumpur	32/89	23/73 t	32/89	22/71 c
K. Kinabalu	31/88	24/75 c	32/89	24/75 c
Manila	30/86	21/70 pc	29/84	22/71 c
New Delhi	24/75	7/44 pc	22/71	6/43 s
Phnom Penh	31/88	23/71 c	33/91	23/73 pc
Pusan	32/89	23/73 pc	31/88	23/73 c
Rangoon	32/89	23/73 pc	31/88	23/73 c
Seoul	6/43	-2/29 pc	6/43	-4/25 c
Shanghai	9/48	5/41 pc	6/43	2/35 r
Singapore	32/89	24/75 c	32/89	24/75 c
Taipei	19/66	17/62 sh	24/75	18/64 t
Tokyo	12/53	2/35 pc	14/57	6/43 pc
Vientiane	21/70	18/64 pc	23/73	18/64 c

Africa

Algiers	18/64	8/46 pc	17/62	6/41 s
Cape Town	24/75	15/59 s	25/77	14/57 s
Casablanca	20/68	8/46 s	19/66	11/52 s
Harare	28/82	14/57 s	29/84	17/62 s
Lagos	30/86	23/73 s	30/86	23/73 s
Nairobi	25/84	11/52 s	30/86	11/52 s
Tunis	16/61	8/48 pc	18/64	6/43 pc

Latin America

Buenos Aires	28/84	21/70 pc	30/86	18/66 pc
Caracas	27/80	22/71 t	29/84	22/71 pc
Lima	28/82	21/70 pc	28/82	21/70 sh
Mexico City	21/70	5/41 pc	20/68	6/43 pc
Rio de Janeiro	32/89	24/75 pc	27/80	21/70 pc
Santiago	32/89	13/55 s	27/80	12/53 pc

Oceania

Auckland	22/71	14/57 s	21/70	15/59 pc
Sydney	28/82	22/71 pc	29/84	23/73 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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THE AMERICAS

Israel Long Knew of Albright's Jewish Roots, and Kept Silent

By Barton Gellman
Washington Post Service

JERUSALEM — More than two years ago, long before last week's disclosure and before the U.S. secretary of state, Madeleine Albright, said she knew herself, the Israeli government learned of her Jewish roots and treated them as a sensitive diplomatic confidence, current and former Foreign Ministry officials say.

Gad Yaacobi, who served alongside Mrs. Albright in New York as Israel's ambassador to the United Nations, said he received "very hard and strong information about this matter" in late 1994 from the British publishing magnate George Weidenfeld, an Austrian-born Jew who knew Mrs. Albright's father in London during World War II.

After learning additional details about Mrs. Albright's father, Josef Korbel, from Israeli Jews of Czech origin, Mr. Yaacobi said he briefed the prime minister at the time, Yitzhak Rabin. He later told Mr. Rabin's successor, Shimon Peres.

"I didn't think I should share this information with people who might misinterpret it," Mr. Yaacobi said. "I trusted very much the judgment of Rabin and Peres in these matters. I shared it in private talks, not in writing."

It was of paramount importance to Israel, two current officials said on condition of anonymity, not to embarrass a woman they regarded as an influential friend in the Clinton administration. They said Israel was careful not to thrust upon her information she might not wish to know or discuss.

Some officials also believed it was not in Israel's interest for Mrs. Albright's Jewish roots to be widely known, lest she feel pressure to prove her evenhandedness at Israel's expense.

Since the disclosure of Mrs. Albright's family history, which includes three grandparents killed in the Holocaust, the Jewish state has maintained a slightly awkward silence.

What small enthusiasm there has been, such as the large-type headline of the tabloid Yedioth Aharonoth — "One of Us" — is muted by an undercurrent of wonder, and from some quarters disapproval, at Mrs. Albright's seeming lack of interest in exploring her Jewish origins.

Israel's substantial community of Czech Jews, which includes a few who knew Mrs. Albright's parents, also tends to be less than enthusiastic about the decision of Josef and Mandula Korbel to convert to Catholicism around the time of World War II.

By Jewish tradition and religious law, Mrs. Albright was born and remains a Jew despite her upbringing as a Catholic and her present identification as an Episcopalian.

But it was precisely the hope of Mrs. Albright's father, according to an Israeli who said he knew him well, to strip himself of Jewishness. Avigdor Dagan, 84, spent the war years with Josef Korbel in London in the Czechoslovak diplomatic service.

Mr. Dagan worked alongside Mr. Korbel in the Czechoslovak government-in-exile that opposed the German occupation of their homeland, beginning in 1939. Mr. Korbel, he said, believed a Jew could never reach the top of the Czechoslovak foreign service.

Mr. Korbel's Jewishness was "not only gone," said Mr. Dagan, who moved to Israel in 1949 and served as its ambassador to Poland, Norway and Austria, "there was an active desire to get rid of everything."

"This came between us," he added. "He simply refused to acknowledge that he was born as a Jew, and this was something I hated."

Mrs. Albright's maternal grandparents, whom Mr. Dagan had known in Czechoslovakia, were more comfortable with their roots. Mr. Dagan said they lived in an eastern Bohemian town along with about 30 Jewish families and went to synagogue for Judaism's high holy days, Rosh Hashanah and Yom Kippur.

Israeli commentators tend to agree that the Jewish state is far less obsessed today about Jews in high positions abroad than it used to be. Henry Kissinger, the first Jewish U.S. secretary of state, endured a good deal of diplomatic abuse here during the Nixon administration. A historian, Tom Segev, said the prevailing hypothesis about anyone who seemed critical of Israel then was, "If you are not Jewish, you're an anti-Semite, and if you are Jewish, you are eaten up by self-hatred."

Colette Avital, the Israeli consul general in New York, said Israeli society had since matured. While making that point in a lecture last month, she even referred openly — largely unnoticed at the time — to Mrs. Albright's background.

"Here, less than 20 years after Kissinger," she said in the lecture delivered in Hebrew on Jan. 14 at Tel Aviv University, "the American peace team is composed of two Jews, Dennis Ross and Aaron Miller."

She went on to list other Jews in the U.S. administration, such as the U.S. ambassador to Israel, Martin Indyk, the national security adviser, Samuel Berger, and his deputy James Steinberg.

"Even the new secretary of state, Madeleine Albright, is of Jewish origin," she added. "These appointments now appear to be something that can be taken for granted."

Mr. Yaacobi said he never discussed what he knew about Mrs. Albright's roots. As a guest at a Passover Seder at his home in 1995, he said, Mrs. Albright told him she was "quite familiar with the Jewish tradition because there was a very prominent and influential Jewish community in Prague."

"She knew very well that I am the Israeli ambassador, that I am Jewish, and I thought that if she knows about her background, perhaps one day she'll tell me," Mr. Yaacobi said. "I left it untouched by me in our many conversations."

L. Mirki/Agence France-Presse

Mrs. Albright with Prime Minister Benjamin Netanyahu of Israel on Thursday. Mr. Netanyahu was in Washington to discuss the peace process.

Jamal Wilson/Agence France-Presse

DIFFERENCES — Douglas Peterson, left, nominee for ambassador to Vietnam, being confronted by a veteran Thursday over normalizing relations with Hanoi.

POLITICAL NOTES

Abortion Foes Lose Vote

WASHINGTON — Overcoming opposition from anti-abortion lawmakers, the House of Representatives on Thursday approved the release of funds for international family-planning programs.

In the first abortion test vote of the new Congress, the House approved a resolution by a 220-to-209 margin to begin providing $385 million in overseas family-planning funds on March 1. The Senate is to take up the measure soon.

Supporters of the bill won over many moderate Republicans by stressing that increased family planning aid could prevent millions of abortions.

Opponents of the funding will have another chance to protest when the House takes up a separate bill that ties the release of the funds to tighter restrictions on abortion. That bill has little chance of surviving the Senate if it passes the House, and would face a presidential veto. *(AP)*

Rescue Plan for Medicare

WASHINGTON — In a move aimed at provoking bolder action from President Bill Clinton, the Senate Finance Committee's chairman and its ranking Democrat plan to call for the creation of a commission to draft a long-term rescue proposal for Medicare.

Senator William Roth Jr., Republican of Delaware, the committee chairman, said Wednesday that he and Senator Daniel Patrick Moynihan, Democrat of New York, would introduce legislation as early as this week to establish a 15-member advisory panel to propose solutions to Medicare's financial woes.

Mr. Clinton has said on several occasions that he is sympathetic to the idea of using a bipartisan commission to devise solutions to Medicare's financial problems. But he has made no move to appoint such a group.

Medicare, the federal health insurance program for the elderly and the disabled, provides benefits for 37 million Americans. The Medicare trust fund used to pay beneficiaries' hospital expenses is projected to run out of funds by 2001 in the absence of action by Congress and the president. *(WP)*

TV: Weapon in War on Drugs

WASHINGTON — The Clinton administration hopes to make prime-time television a major battlefield in the war on drugs with an unprecedented $350 million media campaign designed to counter rapidly increasing teenage drug abuse.

Under the plan, the federal government and the private sector would equally divide the cost of an advertising blitz so huge that the anti-drug message would be virtually inescapable on the programming that captures younger audiences.

"There is every reason to believe that this absolutely will turn around drug abuse by youngsters," said Barry McCaffrey, chief of the White House drug office, who would direct the campaign. With illicit drug use either declining or stable among adults, Mr. McCaffrey said Wednesday, attacking the problem among teenagers should take priority. *(WP)*

Clinton Library Is Planned

WASHINGTON — The records of the Clinton White House, together with the president's letters, musings and memorabilia, are to be preserved in a library at the University of Arkansas at Little Rock, the White House has announced.

The location and financing are to be determined. But Alan Sugg, president of the University of Arkansas, said Wednesday that there would be both a Clinton Library, to house the records, and a Clinton Center, for the study of policy. While the federal government will operate the library, the university will run the center. *(NYT)*

Quote/Unquote

Governor Roy Romer of Colorado, the new general chairman of the Democratic Party, defending the informal White House meetings that have been linked to improper donations to the party: "The president has to have coffees." *(WP)*

Welfare Jobs Project Isn't Working as Well as Hoped

By Jon Nordheimer
New York Times Service

NEW YORK — In his State of the Union Address last week, President Bill Clinton hailed five giant corporations for their pioneering efforts to put welfare recipients to work. But the limited progress of those companies is evidence of the daunting scope of the project.

While the five companies together employ nearly 700,000 workers in the United States, they have hired only a few hundred welfare recipients through targeted efforts since the welfare bill was signed last summer. Most of those workers were put on the payroll by just one company, United Parcel Service of America.

Officials of all the companies — the others are Burger King, Sprint, Monsanto and United Airlines — said they were making a long-term commitment to hire welfare recipients, though market forces would ultimately determine the number of jobs the companies provide.

"This thing is not based on getting 100 people or 1 million people off welfare," said Joseph Schneider, vice president of human resources for UPS. "It's based on our need for employees."

Since signing the landmark legislation in August that ended the federal entitlement to welfare benefits and required most recipients to find work within two years, Mr. Clinton has looked to private business to create those jobs. "I'd like to say to every employer in this country who has ever criticized the old welfare system, 'You cannot blame the old system anymore,'" Mr. Clinton said in his State of the Union Address on Feb. 4. "We have torn it down. Now do your part. Give someone on welfare the chance to work."

Mr. Clinton's proposed budget includes an estimated $600 million in tax credits over the next four years intended to subsidize the hiring of 120,000 or more welfare beneficiaries by private businesses. Employers would get a tax credit of 50 percent of the first $10,000 paid to newly hired workers who had been on welfare at least 18 months.

Other companies than those cited by Mr. Clinton have more experience in hiring from the welfare rolls; indeed, four of the five cited, not UPS, said they were either just devising programs or having limited success finding job candidates who met their standards.

But all expressed optimism that the new relationships they were forging with social agencies and community-based groups would bear fruit.

Officials of some business groups said, however, that more leadership was needed from government if the smaller companies that create most jobs are to enlist in Mr. Clinton's campaign.

House Again Rejects Any Limits on Terms

By Adam Clymer
New York Times Service

WASHINGTON — The movement to impose term limits on members of Congress suffered a devastating defeat when a proposed constitutional amendment not only failed in the House but also received fewer votes than it did two years ago.

The vote late Wednesday marked the end of any serious effort to enact a term-limits amendment, which served as the battle flag of the anti-Washington armies a few years ago, at least for the duration of the 105th Congress. Its prospects in the Senate had always been dim.

The vote of 217 to 211 fell 69 votes short of the two-thirds majority required for constitutional amendments. The ayes were also 10 below the 227 in 1995.

This vote, the House's first legislative action of the year, was promised two years ago by the speaker, Newt Gingrich, at the time of the 1995 defeat. He said then that Republican supporters would prevail this time.

The amendment would have prevented anyone from serving more than 12 years in the House or the Senate, although he or she could serve up to 12 years in each for a total of 24.

The final vote came after a day of debating 11 variations of the amendment, an exercise that demonstrated the factional divisions that supporters said hurt their cause.

The most popular version, and the one that was ultimately defeated, allowed six two-year terms in the House and two six-year terms in the Senate. But seven amendments sought to allow just three two-year terms for the House, with minor variations in wording or numbering.

Under referendums passed in nine states, representatives from those states were directed to vote for their state's version and to oppose all others.

Away From Politics

• **O. J. Simpson** rejected an offer from Fred Goldman that would have allowed the former football star to keep his money in exchange for a signed, detailed confession of murder. "No matter how much money I am offered, I would never confess to a crime which I did not commit," he said. *(AP)*

• **Cincinnati prosecutors** dropped a jaywalking charge against Jeff Friedlander, a blind man who was struck by a pickup truck. "While this person technically was in violation, there just was no purpose in continuing with the prosecution at this point," the deputy prosecutor, Charlie Rubenstein, said. *(AP)*

• **The average award** in libel cases and related trials against the media in 1996 was $2.8 million, an increase of $1.6 million over the average award in each of the last two years, a study found. The media lost 10 out of 14 trials in 1996. *(AP)*

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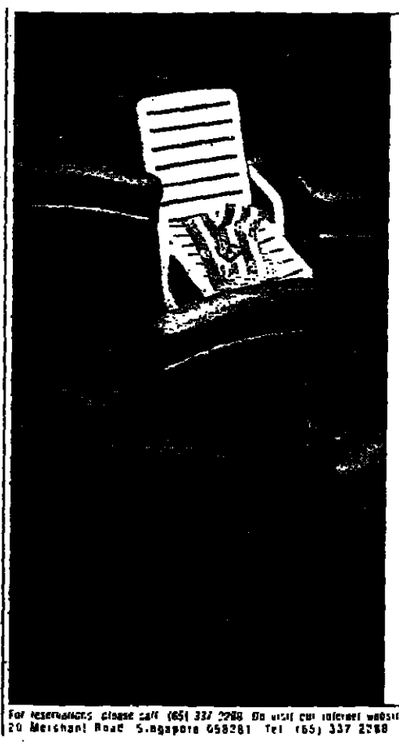

IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

Suit No. 1606 of 1996

Between

AMCOL HOLDINGS LIMITED
(RC No. 196800013K) (In Judicial Management)

... Plaintiffs

And

(1) LLOYD LOCHRA (American Passport No: 27694846)
(2) NG CHEE KHEONG (Malaysian Passport No: A7382482)
(3) CAMBRIDGE OVERSEAS LIMITED (Bahamas RC No: 43902 B)

... Defendants

To: Lloyd Lochra (Last Known Address)
2 Draycott Park #04-02, Singapore 259366

NOTICE OF ADVERTISEMENT

TAKE NOTICE THAT an action has been commenced against you in the High Court of the Republic of Singapore in Suit No. 1606 of 1996 by AMCOL HOLDINGS LIMITED (In Judicial Management) (RC No. 196800013K) of 6 Temasek Boulevard #42-00 Suntec Tower 2, Singapore 038986 in which the Plaintiffs claim:

1. An account of such secret commissions and/or bribes received by you in breach of your fiduciary duties as a director of the Plaintiffs in connection with a joint venture agreement dated 22 May 1996 entered into between the Plaintiffs and Saudo & Cie, and for an order for the payment of the monies found to be due to the Plaintiffs on the taking of the account;
2. The sum of US$300,000.00 as monies had and received by you to the use of the Plaintiffs;
3. Further, for special damages in the sum of US$3.75 million (being the amount by which the consideration for the joint venture was intentionally inflated by you and others) and for further damages to be assessed for your breach(es) of fiduciary obligations owed to the Plaintiffs as a director of the Plaintiffs or alternatively, in the tort of deceit.

AND THAT by an Order of the High Court of the Republic of Singapore dated 30 August 1996 in the abovementioned Suit No. 1606 of 1996 ("the Order"), service of the amended Writ of Summons in the said action shall be effected on you by publication once in the Straits Times and once in the International Herald Tribune.

AND FURTHER TAKE NOTICE that you must within twenty-one (21) days from the publication of this advertisement inclusive of the day of such publication, acknowledge service of the said amended writ by completing a prescribed form of Acknowledgement of Service which may be obtained on request from the solicitors whose name and address appear below, otherwise judgment may be entered against you without further notice.

ALSO TAKE NOTICE THAT by the Order, it is ordered that you must:

1) Not (i) remove from Singapore any of your assets in Singapore, whether in your own name or not and whether solely or jointly-owned, or (ii) in any way dispose of or deal with or diminish the value of any of your assets whether they are in or outside Singapore whether in your own name or not and whether solely or jointly-owned. The prohibition includes the following assets in particular:
   a) all and any securities maintained under account no. 142-19141 with Merrill Lynch, Singapore; and
   b) all the shares you own in Cambridge Overseas Limited (Bahamas RC No. 43902B)
2) Inform the Plaintiffs in writing at once of all your assets whether in or outside Singapore and whether in your own name or not and whether solely or jointly-owned, giving the value, location and details of all such assets. The information must be confirmed in an affidavit which must be served on the Plaintiffs' solicitors, whose name and address appear below, within fourteen (14) days after the publication of this advertisement.

HOWEVER TAKE NOTICE that the Order does not prohibit you from spending a reasonable sum on legal advice and representation provided that before spending the money, you must inform the Plaintiffs' solicitors where the money is to come from.

AND FURTHER TAKE NOTICE that you must not either by yourself or by any other way or through others acting on your behalf or on your instructions or with your encouragement do anything which you have been ordered not to do by the Order. If you disobey the Order, you will be guilty of contempt of court and may be sent to prison or fined.

AND THAT it has been ordered by the High Court of the Republic of Singapore that service of the Order shall be effected on you by publication once in the Straits Times and once in the International Herald Tribune.

Dated the 14th day of February 1997

Solicitors for the Plaintiffs
Messrs Rajah & Tann
9 Battery Road #25-03/12 Straits Trading Building
Singapore 049910 Republic of Singapore

INTERNATIONAL

Germany's Cable-TV Clamor: When Is Enough Sex Enough?

By Alan Cowell
New York Times Service

BONN — It's Thursday evening at 11 P.M. On the national Vox cable-television channel, a man dressed as a middle-aged blond woman conducts an earnest debate with a couple whose marriage has lost its zing.

"What can be done?" asks Lilo Wanders, also known as Ernie Reinhardt, the nationally recognized host of the show "Liebe Suende" (a play on words that can be translated as "dear sin" or "love sin"). For the next five minutes or so, the two million weekly viewers find out, quite graphically, how other couples guard the libidinous flame.

Here is a couple showing off a swing-like contraption affixed to their bedroom ceiling. Here are couples at a so-called swingers' club who seem to have less trouble unleashing their libidos than figuring out how to do so collectively in an indoor swimming pool. And here is an agency that, for a fee, will arrange an extramarital affair with the avowed aim of revitalizing the marriages to be betrayed.

Enough! some viewers might cry, and channel-surf on to the late news or a movie, skipping over the documentary on the rival RTL channel that illustrates the core concepts of adultery.

But, the country's program planners say, it is not enough at all. As Germany's cable television industry secures its place as Europe's richest, multimillion-dollar advertising marketplace, more and more cable planners are demanding greater freedom to show programs featuring nudity and graphic sexual acts.

The contest between licentiousness and censorship has long roots in Germany's 20th-century history. In the 1920s, Berlin became widely known internationally as a fast-living city of cabarets and transvestite shows.

The Third Reich, by contrast, frowned on what were considered shows of public degeneracy, even to the extent of banishing Impressionist art, although some Nazi leaders were notoriously fond of pornography in private.

THE LATEST debate has illuminated a long-running trend in Germany toward permitting visual sex that started with the spread of sex shops, moved to late-night television and now fuels a debate about controlling pornography on the Internet.

The cable program directors are demanding a change in the 1968 German law that defines pornography in loose terms, forbidding anything that causes sexual stimulation, turns people into sex objects or makes a vulgar display of genitals — concepts which, obviously, are subject to a wide range of interpretation.

To some late-night viewers, however, much obscenity is already available, although the shows on German television stop well short of the triple-X brand of hard-core pornography found in movie houses and sex shops along Eighth Avenue in New York City.

"The law urgently needs to be liberalized and brought up to date," Andreas Vrede, the program director of a major pay-TV channel, told a gathering of politicians, academics and journalists in Hamburg, a port city known for the raw vulgarity of its Reeperbahn vice district. "We need to be a part of the new media landscape."

Two other channels seeking cable licenses have backed the call for sexually explicit programs after midnight on channels using a decoder to prevent accidental viewing by children — a system already in use for after-midnight shows on British satellite pay television.

Elsewhere, pornographic movies are available on some French pay-channels, and German program directors say Sweden, Denmark and the Netherlands all offer more sexually explicit material than they do.

The urge toward extramarital and other stimulants is deep-rooted in this affluent society, which helped pioneer sex tourism to Asia and whose riches have encouraged growing prostitution rings in impoverished Eastern European border towns.

One chain of sex stores has been so successful that last year it opened a Museum of Erotica in Berlin to bolster its share of the market. A recent opinion survey discovered that half of the adult respondents were in favor of more explicit sex on television.

The fascination also has a dark side. A German couple was arrested last month for advertising sadomasochistic pedophile sex on the Internet, offering to sell torture devices and even promising to dispose of bodies of victims for an extra $2,000. And Germany has been as shocked as other European nations at what seems to be an upsurge in pedophile sex crimes.

EVEN the cable program directors acknowledge that in the current mood of revulsion, a loosening of the pornography law is unlikely. "I don't think the law will be changed at the moment because after all these cases involving children, it is very difficult for politicians to take a stand in favor of more sex on television," Mr. Vrede said.

In any case, some politicians say, the danger lies not in late-night television as much as unfettered access to pornography on the Internet.

A Lonely Tapie Wants to Be With Fellow Prisoners

Agence France-Presse

PARIS — The bankrupt French tycoon Bernard Tapie has asked to be transferred out of the special prison cell where he has been held for 10 days and to be housed with other inmates as he is very lonely, one of his lawyers said Thursday.

Mr. Tapie, who is serving an eight-month sentence for a 1993 soccer match-fixing scandal, "in addition to not being free, is greatly suffering from being isolated and the total lack of communication," said the attorney, Bernard Lagarde.

"He wants to be placed under normal confinement conditions, to eat with others, to take a walk with other inmates and to eventually be able to work and talk with his neighbors."

But the newspaper Le Monde said Mr. Tapie's request was unlikely to be granted and quoted a guard at the Sante prison where he is being held as saying he would just need time to get used to his confinement.

Mr. Tapie, who spent his first night behind bars on Feb. 3 after turning himself in at the Paris prison, said at the time that he did not know how he would cope with prison life.

"To lose my freedom is very hard for me and for those who love me. But as it is the first time, I cannot say how I will react," he told Le Figaro.

A man from humble working class beginnings, he made a fortune in the 1980s by buying companies in trouble, stripping their assets and selling them off at a profit.

BRIEFLY

Russia Denies It Sold SS-4 Missiles to Iran

MOSCOW — The Russian foreign intelligence service has denied any knowledge of an alleged sale of advanced Russian SS-4 missile technology to Iran, Interfax news agency quoted a spokeswoman as saying Thursday.

A representative of Russia's main arms exporting company also denied that any sale had taken place, Interfax added.

Konstantin Makenko, an expert at the Russian Center for Political Studies here, said that if a report in the Los Angeles Times was correct, the deal had breached export rules, the agency said.

"Some Russian military specialists, living on miserable salaries, could have made the sale without referring to the state services," he suggested. *(AFP)*

Zaire Rebels Advance

UVIRA, Zaire — The Zairian rebel leader Laurent Kabila said Thursday that his forces were advancing on multiple fronts despite government warplanes dropping napalm and that they had seized the main town in the northeast corner of Zaire.

"Our forces captured Faradje," Mr. Kabila said in this eastern town facing Burundi. "They have now cleared the way up to the Sudan border."

If true, the capture of Faradje would mean that since October the rebels have captured a swath of eastern territory nearly 1,100 kilometers long bordering Uganda, Rwanda, Burundi and Tanzania.

Faradje is the most northeasterly town in Zaire, but rebels had already taken Isiro, 260 kilometers to the southwest. Kinshasa said Isiro fell to the rebels Wednesday night, a day after rebels said they had seized it. *(Reuters)*

17 Algeria Troops Die

BONN — Seventeen Algerian soldiers were killed last week in an ambush by the Islamic Salvation Army near the coastal town of Jijel, east of Algiers, a source close to the banned Islamic Salvation Front said here Thursday.

The operation was confirmed by independent sources in Europe, who put the toll at 15 dead and several wounded. *(AFP)*

Union Threatens Swaziland Blockade

JOHANNESBURG — South Africa's main trade union grouping, COSATU, threatened Thursday to impose a one-day border blockade of neighboring Swaziland in support of a national strike in the troubled southern African kingdom.

The blockade would be part of a "massive operation to bring the Swaziland government to its senses," Sam Shilowa, the general secretary of the Congress of South African Trade Unions, said at a press conference here.

To avert the blockade, Mr. Shilowa said, Swaziland would have to free four leaders of the Swaziland Federation of Trade Unions who were arrested before the national strike was launched on Feb. 3. *(AFP)*

Kazuhiro Nogi/Agence France-Presse

MODEL EMPLOYEES — Yoichi Tanaka, a Japanese importer, showing off vinyl models of "Safe-T-Man" on Thursday in Tokyo. The U.S.-made mannequins are meant to simulate bodyguards for the elderly or night workers.

Hernu's Sons Seek Damages From Magazine

Reuters

PARIS — The sons of Charles Hernu, the former Socialist defense minister, urged a French court on Thursday to order a magazine to pay 30 million francs in damages for reporting that their father spied for the Communist bloc.

L'Express published documents in October and January purporting to show that Mr. Hernu, under the code-name "Andre," had been a Soviet, Romanian and Bulgarian agent in the 1950s and 1960s.

Mr. Hernu, defense minister from 1981 to 1985, died in 1990.

The magazine said Mr. Hernu was paid for supplying general information on French politics and other subjects. In 1958, he reportedly told the Soviet ambassador in Paris the size of the French Army fighting rebels in Algeria.

Serge Lewisch, the lawyer representing Hernu sons Jean-Michel, Jean-Charles and Patrice, said that the documents published by *L'Express* might be fake, and that they had been mistakenly translated by the magazine.

Mr. Lewisch also stressed that the information allegedly supplied by Mr. Hernu was of little importance.

INTERNATIONAL CLASSIFIED

TODAY'S
HOLIDAYS & TRAVEL SECTION
Appears on Page 11

Personals

MAY THE SACRED HEART OF JESUS be adored, glorified, loved and preserved throughout the world, now and forever. Sacred Heart of Jesus pray for us. Saint Jude, worker of miracles pray for us. Saint Jude, helper of the hopeless, pray for us. Amen. Say the prayer nine times a day, by the ninth day your prayer will *be answered. It has never been known* to fail. Publication must be promised. UK

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GO: 0,5363 FOD*: 0,3476

ALLEMAGNE (zone I) DMI - TVA 15%
ZONE I - G :
GO: 1,08
ZONE II - I :
GO: 1,09 SCSP: 1,44
ZONE III - F :
GO: 1,08 SCSP: 1,43
ZONE IV - F :
SCSP: 1,42
ZONE IV - G :
GO: 1,09 FOD: 0,65

BELGIQUE en FBH - TVA 21%
GO: 22,73 FOD: 10,98
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HOLLANDE (zone2) NLG/I - TVA 17,5%
GO: 1,273

LUXEMBOURG en LUFR - TVA 15%
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My sweet wife
IRYNA
I love you more than everything
HAPPY VALENTINE'S DAY
MUSTAFA

Valentines

AMITIE AMOUREUX
You are my beacon of
passion
my Soul Soldier
your touch heals my heart
your kiss makes me
powerless
your existence is my
narcotic
I adore you completely

OXFORD
COSMOS
She looked into the starry sky
She was spinning
She heard the boom crash and largo of the symphony
She was drowning
She felt a mantle of love descend upon her
She was peaceful
EXETER

FROM THE BRITISH LION TO HIS AMERICAN LIONESS
DIVIS! MA SEMPRA UNITI

TO A WONDERFUL, GORGEOUS AND STUNNING WOMAN - ANNE, even though you're thousands of miles away I feel your senses. I close my eyes and I see you. I am lost, I am lonely and stuck by joy and happiness. You're my little bit of heaven here on earth. I want to pull you close to me and hold you tight. I miss you. I love you. STEVE.

R -
Love, O lyric Love,
half angel and half bird,
And all a wonder
and a wild desire.
- N

FROM THE GOLDEN MONKEY Camp, Zambesi River, *UUUUHH...HHU, that* means love to all his friends: Jenny Rene Clms Sweert Goste Sam Hettie Sigrid Guseppe Torgen Margherita Irma Nick Timre Carlo Christina Niels Dawn Joe.

I HAVE a lover who lives in Bordeaux, what life is like there I really don't know. He works alot but when he has time to play, he comes to Geneva or Paris and we make love all day. At night we go out we love to dance, we like the Gypsy Kings. It's great until we get a slow, inevitably then we have to go.....

T,
IK BEN NOG GEK VAN JOU
D.

DANS 1000 ANS les archeologues se demanderont encore d'ou sortent ces hieroglyphes plains de coeurs et de baisers laissant le mysterieux pharaon ZOUG. Le petit oiseau...bleu de vous.

CARLA- My heart and I agree, you're the only one for me! I will love you through eternity. Happy Valentines Day from Gay Paris! Love- Scot.

S.R. Patient love ever growing. Precious moments of simple joys. Unconditional, yet all consuming ! am in love with you my dearest friend. Love, me XOXO

FOR MEIN VALENTIN-SCHATZI.
I LYVVM and always will you are the most wonderful, caring, loving husband and the all time best Daddy for Nca

TEN YEARS. After ten years I still miss you when I'm far from you. I love you Bigbi and I even love you more in this wonderful city. Andrea.

A CLORI,
Non dimenticu... mi.
Arabo-bs

A SPECIAL MESSAGE
For Salmin Saffar: Surprise!
Happy St. Valentines Day! Enjoy it!

BEA, que lo pases muy bien.
Honey enjoy be free.
T.O. LARRY

COACH BENJY: Thanks for signing the contract about staying away from my thighs!

CONAL-
I love you.
-Andrea

DARLING P
'Ain't no mountain high enough.
Ain't no river deep enough' E.

DEAR CINDY-
Forever and a Day!
Love, Larry

DEAR L.P.
HERE'S TO ANOTHER 25 YEARS
OF LOVE IN LONDON. YOUR EDWIN.

DEAREST GOVERT -
We love you more than words can say.
Dorotea & Samy.

FOR R.L.S.
Each Day is Valentine's Day
I.L.Y. From Z.W.

FOR STEVE,
who does not read the Herald Tribune.
Love forever, Benedicte.

GENEVIEVE - One more Valentine's Day come and gone, a chance to say again you're Number One. All love A.

HAPPY VALENTINE'S DAY
To our Dear REINA
from Peter and Pera.

JANET -
I love you
Your Happy Cat.

JENNIFER
I love you.
Jean Francois

KEVIN LOVES MELANIE.
From New York to Lake Tahoe,
Happy Valentine's Day!

LEIGH
I LOVE YOU
ANDREW

LOVE AND KISSES
from the medium sized pet
to the gorgeous honey bunny.

MARIA FULLONE
On this Valentines Day I want to say
I love you now & forever. AMEN

MILAN
My love is forever.
PGM.

SCHNAUZI,
All my love.
AKITA

SCOOTIE. The magic is still within!
Love you, Happy Valentine's Day.
Love Scoot XXX

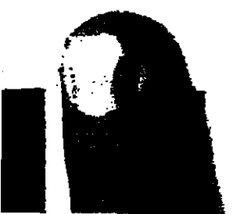
SNUGGLE B U R my snuggliesimateur
boboosterjetpropulsedvalentinesarouletties
JTM SNUGGLE A

STILL FLYING after all these years...
Our string of precious moments weave a pattern of jeweled love. PP.

SUNSHINE YOU ROCK MY WORLD
I love you.
Patrick Boucher

SUSAN:
Will you be our Valentine?-
Bobbo, YaYa & Pasty Waist.

TO MY DEAREST PP
BEST WISHES
FROM HER ZUGMAN



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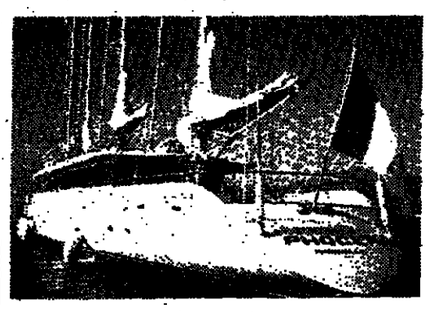

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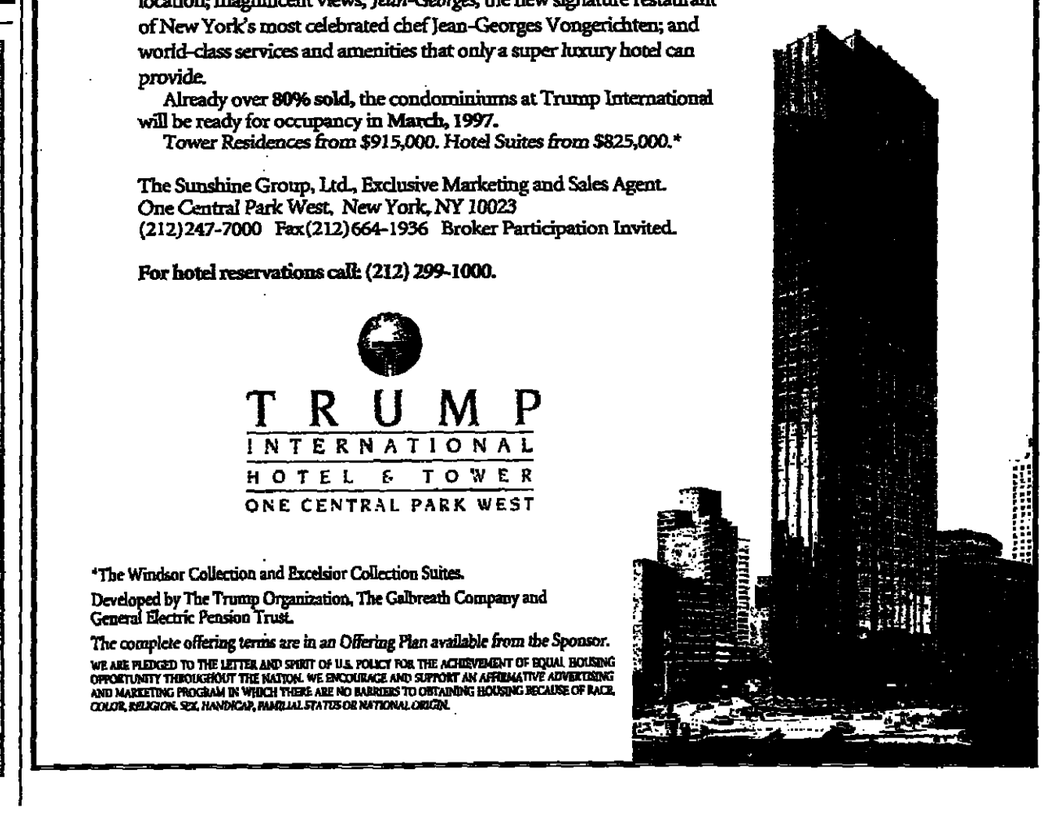

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EUROPE

U.S. Boosts Aid to Foes of Milosevic

Increase Is New Sign of Growing Shift From Serbian Leader

By Steven Erlanger
New York Times Service

WASHINGTON — The United States is significantly expanding its support of newspapers, radio stations and trade unions opposed to President Slobodan Milosevic of Serbia, senior U.S. officials say.

While the money to be distributed in 1997 is small — about $2 million — it is five times the amount provided last year. The officials said the increase was a direct result of the daily pro-democracy demonstrations in Belgrade and other cities against the authoritarian rule of Mr. Milosevic.

The aid is another indication of a shift in policy away from Mr. Milosevic, who was a crucial supporter of the Dayton peace accords of December 1995, which halted the war in Bosnia-Herzegovina. U.S. officials now say he is no longer critical to stability in Bosnia.

"His days are numbered," one official said. "Now it's a matter of when his era ends, not if, and how it does. Even if he survives, he won't be able to exercise the same unbridled rule. The rules have changed."

Some of the money can be delivered immediately through the U.S. Embassy in Belgrade in small grants valued at $5,000 to $10,000, the officials said. The support is to be given not in cash but in goods, for example, computers, newspaper ink or technical assistance for a business plan.

Most of the aid, which has already been appropriated, is to be funneled through U.S. groups like the National Endowment for Democracy, the National Democratic Institute, the International Foundation for Electoral Systems and the International Republican Institute. Some of these want to do their own assessments of recipients' needs and usually provide support faster than the Agency for International Development can.

The groups, officials said, will organize programs to train journalists, union leaders and political parties in the ways of democracy. In other countries this has included teaching political parties how to use polling data and advertising, and to draw up party platforms.

While praising the program, some representatives of the groups criticized the administration for being so late. In 1996, they point out, the government aid of $400,000 was dwarfed by funds provided by the private Open Society Institute, led by the financier George Soros, and by European countries.

Senator Richard Lugar, Republican of Indiana, has been prominent in urging more support for independent news media in Serbia.

The effort was hampered last year by U.S. sanctions against Serbia and by the general atmosphere of suppression, U.S. officials say. Efforts by the embassy to find worthy recipients independent of the government were made difficult by the "reticence" of Serbian organizations to seek or accept aid from Americans, a senior official said.

But after the demonstrators, who demanded the reinstatement of opposition victories in local elections in November, began to chip away at Mr. Milosevic's rule, Serbian organizations were more willing to come forward.

And U.S. credibility with the opposition was helped by the decision in December to incorporate reports from the independent radio station B92 into transmissions of Radio Free Europe when Mr. Milosevic tried to shut it down. The Voice of America also broadcast interviews with B92 reporters.

"People have shed their fears about operating in public," one senior official said of the opposition's new prominence. "People are more approachable, and more willing to take risks in approaching American officials."

A successful program will still require the tolerance of the Serbian government, which could withhold visas for U.S. aid workers and experts working for the American groups, or prevent Serbs from traveling to the United States for training and study.

"If they do that, we have big problems," the official said. "But we're plunging ahead in expectation of approval of the Serbian government to work in Belgrade."

Nicholas Burns, the State Department spokesman, said: "The idea is to demonstrate concrete support for the media and to help the evolution toward democracy, not authoritarianism. We understand there will be an evolution in Serbia, and there's an argument about which direction it will take, and we want to push it in a democratic direction."

■ Belgrade Threatens Ban

Serbia has threatened to ban members of the U.S. Congress who have supported the pro-democracy movement, a move that diplomats said Thursday would backfire on Mr. Milosevic, The Associated Press reported from Belgrade.

The Foreign Ministry of Serbian-dominated Yugoslavia has protested to the State Department against members of Congress who have taken part in pro-democracy rallies.

It said it would refuse visas to prospective Congressional delegations because its members "abused Yugoslav hospitality" by "meddling" in the country's internal affairs.

The U.S. Embassy issued a statement Thursday stressing that Yugoslavia, now made up of Serbia and Montenegro, "remains subject to agreements guaranteeing free expression."

It warned that refusing visas "to prospective Congressional delegations would only backfire against Yugoslavia."

The embassy said the protest was made late last month, and Belgrade's independent media reported Thursday that the protest was made to U.S. officials verbally.

Serbian Opposition a Step Closer As Belgrade Confirms Victory

Agence France-Presse

BELGRADE — The Serbian opposition came a step closer to taking power in the Belgrade city assembly on Thursday when the local electoral commission confirmed its victory as ceded in a parliamentary vote.

The commission's action was the latest in a complex process set in motion by the parliamentary vote Tuesday, which confirmed President Slobodan Milosevic's dramatic retreat on the elections. That bill became law Wednesday when it was published in the official government gazette.

Other local commissions must also confirm the opposition victories as announced in the bill. The next step is for the speaker of the Serbian Parliament to actually convene all 14 of the disputed assemblies included in the law. He has five days to do it, and they must convene within 10 days after that.

In Belgrade, the president of the local electoral commission, Radomir Lazarevic, said the opposition coalition Zajedno had won 67 of the 110 seats in the assembly.

The outgoing Socialists and their neocommunist allies in the Yugoslav Left party have 24 seats, while the Serbian ultranationalist Radical Party controls 17 and the Serbian Democratic Party has 2 seats.

BRIEFLY

The Associated Press

The Russian interior minister, Anatoli Kulikov, left, meeting Thursday with President Boris Yeltsin.

Policeman Killed in Albania

VLORE, Albania — Protesters staged a ninth day of anti-government demonstrations in this Adriatic port on Thursday, hours after a policeman was shot dead in what the authorities described as a gangland killing.

Prosecutors said the shooting was unrelated to this week's clashes in Vlore, scene of some of the worst unrest Albania has seen since Communism was toppled in 1990. One man was shot dead and two others died of heart attacks during pitched battles between protesters and police.

"First indications suggest this was a personal settling of accounts linked to a previous murder," Ramazan Ilica, an investigating prosecutor, said. *(Reuters)*

Yeltsin in 'Good Working Form'

MOSCOW — President Boris Yeltsin, keeping up a steady workload as he recovers from pneumonia, met Interior Minister Anatoli Kulikov in the Kremlin on Thursday as his political foes prepared a fresh attack.

Mr. Kulikov said Mr. Yeltsin, who is still convalescing from his illness at a country residence outside Moscow, was in "good working form" during their 40-minute meeting.

The State Duma, which is dominated by Communists and nationalists, is due to discuss a resolution on Friday calling on Mr. Yeltsin to quit on health grounds. *(Reuters)*

U.K. and Ireland Condemn IRA

BELFAST — Britain and Ireland on Thursday closed ranks against the IRA's political wing, Sinn Fein, after a suspected IRA sniper killed a soldier in Northern Ireland.

Prime Minister John Major of Britain vowed he would not give in to the "murderous efforts" of the Irish Republican Army to force his government to invite Sinn Fein to peace talks.

Prime Minister John Bruton of Ireland said the shooting was "an expression of something we wish to eradicate from our society: the use of violence to achieve political ends." *(Reuters)*

Bosnian Flash Point Defused, for Now

By Michael Dobbs and Bradley Graham
Washington Post Service

WASHINGTON — An American arbitrator has tentatively decided to place the disputed Bosnian town of Brcko under international supervision for around one year, during which refugees would be helped to resettle in the area, according to U.S. and West European officials.

The decision, which still must be reviewed by the full arbitration commission, effectively sidesteps taking a firm position on a potentially explosive territorial dispute pitting Bosnian Muslims and their Croatian allies against the Bosnian Serbs. Officials said it was likely to be combined with the announcement of a beefed-up international police presence in Brcko to provide security for returning refugees.

Brcko's location, on a narrow corridor connecting Serb-held territories in northern and eastern Bosnia, has made it a flash point for the continuing tensions between Bosnia's rival ethnic groups. The district had a prewar population of 87,000, and was seized by Serb forces at the beginning of the three-and-a-half-year Bosnian war.

Officials said the American arbitrator, Roberts Owen, has sought to avoid issuing a black-and-white judgment awarding Brcko to the Serbs or the Muslim-Croatian federation, which would inevitably lead to renewed conflict. Instead, he has sought to preserve many elements of the present political and military balance for at least another year while making it possible for some Croats and Muslims to return to their homes and allowing access across the corridor to the Sava River.

The final arbitration decision on Brcko is to be announced Friday, probably in Rome, in the presence of representatives of all three factions and the five-nation Western contact group of mediators for Bosnia. Wednesday, Mr. Owen met with fellow arbitrators in Washington to inform them of his decision. He also consulted with Carl Bildt, the international official responsible for organizing the civilian provisions of the 1995 Dayton peace accord.

Under the Dayton agreement, Mr. Owen has authority to make a final decision on the future status of Brcko, even though he must consider the opinions of arbitrators appointed by the Bosnian Serbs and the Muslim-Croat federation. The arbitration decision was originally scheduled for last December, but was postponed two months at the request of Bosnian Serbs.

While Mr. Owen has sought to reach a compromise, any resettlement of Muslim and Croatian refugees in Brcko is bound to be bitterly resisted by the Serb population, and may prove impossible without a sizable commitment of military force, officials acknowledge. Over the past six months, there have been several serious clashes between armed Serbs and Muslim refugees seeking to return to their homes in the 4-kilometer (2.5-mile) zone of separation patrolled by U.S. peacekeeping troops.

A Pentagon official said the United States initially had proposed a special international police force for Brcko, but this drew little support from European allies. For now, the plan is to increase the unarmed international police monitors soon to 100 from around 20. The United States is still discussing a plan to recruit additional international monitors with West European allies, but the official said it would be weeks before the new force is in place.

People close to the arbitration process said top Pentagon officials, including the new defense secretary, William Cohen, have resisted any solution for Brcko that would involve commitment of further American military resources or increased responsibilities for the 31,000-member peacekeeping force.

"We have been very concerned that there not be mission creep, that the military force not take over the mission of being a police force for Brcko," a Pentagon official said.

Officials said the Brcko district, whose prewar population was 44 percent Muslim, 24 percent Croat, and 21 percent Serb, probably would be placed under supervision of a "deputy high representative" under Mr. Bildt. A final decision on the status of the town will be further delayed at least a year.

In reaching his judgment, Mr. Owen was obliged to steer between conflicting political pressures, not only within Bosnia but also abroad. West European governments opposed a proposal by Mr. Owen to place Brcko under authority of the central Bosnian government, which in theory represents all three ethnic groups but in practice is weak, on the ground it could disrupt an already fragile status quo, according to U.S. and European officials. Perhaps inevitably, Mr. Owen appears to have succeeded in pleasing almost nobody.

West European officials have complained that he has taken an "excessively theoretical approach," while people sympathetic to the Muslim cause say his judgment will do little more than "kick the can down the road."

"They have postponed a real decision for another year, and are hoping against hope that the political situation will change to the point where they can settle it peacefully," one U.S. peace negotiator said.

State Department officials argue that Mr. Owen's judgment, which is likely to involve a building program to provide homes for returning refugees, goes beyond preserving the status quo. "It also includes a large stabilization package that is meant to stabilize the region," one official said. "It is an attempt to put together something that is actually implementable."

In congressional testimony Wednesday, Mr. Cohen said budget pressures and other considerations required the United States to be more selective in the future about where it commits American troops. On Bosnia, he said some sort of international military force would be necessary past mid-1998, when the current NATO-led mission ends. But he added that he intended to make clear to European officials on a visit to allied capitals next month that U.S. forces would not stay past their scheduled June 1998 pullout.

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Herald International Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST
THE WORLD'S DAILY NEWSPAPER

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Asat Gerze/The Associated Press

Tung Chee-hwa, the future chief executive, waving to reporters Thursday at his office in Hong Kong.

Hong Kong Chief-to-Be Assails Critics

Reuters

HONG KONG — Hong Kong's leader-in-waiting, Tung Chee-hwa, accused Hong Kong Democrats on Thursday of spreading gloom abroad about the future of the territory under Chinese rule.

"Recently, some well-known people, including the Democratic Party, have blackened the reputation of Hong Kong overseas," Mr. Tung said, adding that they had given "the impression that Hong Kong is collapsing."

He said the Democratic Party was doing a disservice to Hong Kong and its 6.3 million people, who will come under Chinese sovereignty July 1.

"This, I feel, is not very good," said Mr. Tung, the future chief executive appointed by Beijing.

He spoke Thursday as he unveiled offices that will be his base during the final months of British rule.

"We may have different views on the pace of democracy, but we can discuss it," Mr. Tung said.

"But we should discuss this in Hong Kong," he added. "Is there the need to go abroad to blacken the name of Hong Kong?

"Is there the need for foreigners to come to Hong Kong and tell us, the Hong Kong people, what to do in the future? Why can't we be the master of our own destiny and fate?"

Beijing has described the leaders of the Democratic Party as subversives, and sidelined them from the committees and caucuses responsible for shaping the future of Hong Kong after the handover in July.

The Democrats' leader, Martin Lee, has been visiting Europe this month to express concerns that China will reduce Hong Kong's civil liberties despite Beijing's promises to maintain the freedoms and capitalist way of life for 50 years.

Mr. Lee has urged the European Union to oppose China's plan to dilute human rights laws in Hong Kong and dismantle its elected legislature upon the transfer.

Mr. Lee told Hong Kong radio that Mr. Tung must do more to defend Hong Kong against Beijing's Communist rulers.

"We want Mr. Tung to change the unhappy fate that awaits Hong Kong," he said, urging the appointee to "talk to the Chinese leaders, get them to wind up that appointed illegal legislature."

Mr. Lee added, "Then our worries will be over and overseas investors will be very happy to come to Hong Kong and invest more."

India Proposes Talks, Except On Kashmir, With Pakistan

Compiled by Our Staff From Dispatches

NEW DELHI — Prime Minister H. D. Deve Gowda of India was quoted Thursday as saying he would send his foreign minister to Pakistan for talks if Islamabad extended an invitation.

"As soon as I receive the invitation, I will ask the external affairs minister to go to Pakistan for talks," the Press Trust of India quoted the prime minister as telling troops in Kashmir. "We want to improve our relations with Islamabad."

But Mr. Deve Gowda said the minister, Inder Kumar Gujral, would not discuss Kashmir, where a Muslim separatist campaign has cost thousands of lives.

"The Kashmir chapter is closed and any talks with Pakistan will be on trade and culture," he told a public rally in Uri, a town in Jammu and Kashmir state, 20 kilometers (12 miles) from the Pakistani border.

"Sharif has given me some indication on having good relations with India," Mr. Deve Gowda said, speaking of the new Pakistani prime minister, Mian Nawaz Sharif. "Very soon there will be foreign ministry-level talks between the two countries and later on both prime ministers will meet."

India and Pakistan have fought three wars since independence in 1947, two of them over the Himalayan region of Kashmir.

Pakistan has long insisted the two nations resolve their differences over Kashmir before taking up other issues.

Mr. Deve Gowda and former Prime Minister Benazir Bhutto of Pakistan exchanged letters after the Indian became prime minister in June, but they did not lead to high-level bilateral talks, which were last held in January 1994.

The overwhelming victory in elections this month by Mr. Sharif's party has raised hopes that peace talks could be resumed.

"Mr. Sharif's initial views have been favorable, and I hope that the new government in Pakistan will show a positive approach in this regard," Mr. Deve Gowda said.

Analysts said Mr. Deve Gowda's willingness to dispatch his foreign minister to Pakistan underscored his seriousness in reopening a dialogue with Islamabad. But New Delhi has rejected Islamabad's insistence that an internationally supervised plebiscite to determine Kashmir's future status. *(Reuters, AFP)*

■ Belgium May Ease Visa Rules

Foreign Minister Erik Derycke of Belgium said Thursday that his country would try to grant visa-free entry to Hong Kong people after July 1, Reuters reported from Singapore.

But Mr. Derycke, in Singapore for a meeting of Asian and European foreign ministers, said it would be difficult for Brussels to reach a decision on the issue before the handover.

The Hong Kong government, meanwhile, announced it would propose a bill that would rescind legislation that allows British subjects to stay in Hong Kong without visas.

Under the bill, the amount of time British tourists could stay in the territory without a visa would be cut to 6 months from 12 months, starting April 1.

BRIEFLY

South Korea Arrests Ex-Cabinet Minister

SEOUL — Prosecutors in South Korea arrested a former cabinet minister and two lawmakers on Thursday over a loan scandal that has badly damaged the credibility of President Kim Young Sam.

A prosecution official said Kim Woo Suk, who resigned Wednesday as home affairs minister, was detained on charges of accepting bribes from the failed Hanbo Steel & General Construction.

The former minister and one of the two arrested legislators, Hwang Byung Tai, belong to a party faction that backed President Kim's rise to power. Mr. Hwang and the other lawmaker, Kwon Roh Kap, a top aide to the chief opposition leader, Kim Dae Jung, were also charged with bribery. *(Reuters)*

Karen Rebels Flee Their Base in Burma

BANGKOK — Outnumbered by 1,500 Burmese troops, 500 ethnic Karen insurgents abandoned their headquarters Thursday, fleeing into the jungle after setting fire to the base.

Thai television and border residents said Burmese troops occupied the burned-out base in Teakaplaw in eastern Burma.

The government launched an offensive late Tuesday against the only two areas in Burma still controlled by the Karen National Union, which has been fighting for autonomy for the Karen people since 1948. *(AP)*

Pakistani Muslim Preachers Visit China

ISLAMABAD — Pakistan acknowledged Thursday that a Muslim preaching group based here had made visits to the northwestern Xinjiang region of China, but it said the group had not interfered in China's internal affairs.

A Foreign Ministry spokesman also denied a newspaper report that China had protested to Pakistan about the alleged shipment of religious literature by the Tableeghi Jamaat group to incite unrest in Xinjiang, which borders northern Pakistan.

"We are studying the situation and watching the situation," the official said when asked about riots in Xinjiang by members of the Muslim Uighur minority, in which at least 10 people died last week. *(Reuters)*

Sri Lankan Legislator Urged to Surrender

COLOMBO — Sri Lanka's main opposition party ordered one of its members of Parliament to surrender to the authorities in connection with the assassination of a legislator from the governing party.

Ranil Wickremesinghe, a former prime minister and head of the United National Party, ordered Susantha Punchinilame to surrender as the police offered a reward of 1 million rupees ($17,500) for his arrest.

The slaying Tuesday of Nalanda Ellawela and a bodyguard has brought back memories of political and other extrajudicial killings that were rampant during the 17 years that the United National Party held power, analysts said. *(AFP)*

Indonesia Cracks Down on Race Rioters

JAKARTA — The Indonesian military said Thursday that it was cracking down on rioters in the country's West Kalimantan province on Borneo island after the deaths of a number of people in race riots since late December.

An armed forces spokesman said, "We will take action regardless of the people's ethnicity or religion." The spokesman said a number of people had been killed during riots between the native Dayaks and Muslim migrants from Madura island off eastern Java. *(Reuters)*

For the Record

The Taleban Islamic militia in Afghanistan has decreed that foreign journalists and other foreigners can no longer hire taxis or private cars and must use only Tourism Department vehicles. *(Reuters)*

Hundreds of marines and police were deployed in Jolo, a Muslim-dominated Philippine town, ahead of Friday's burial of a Roman Catholic bishop, Benjamin de Jesusa, who was slain by suspected Islamic extremists on Feb. 4. *(AFP)*

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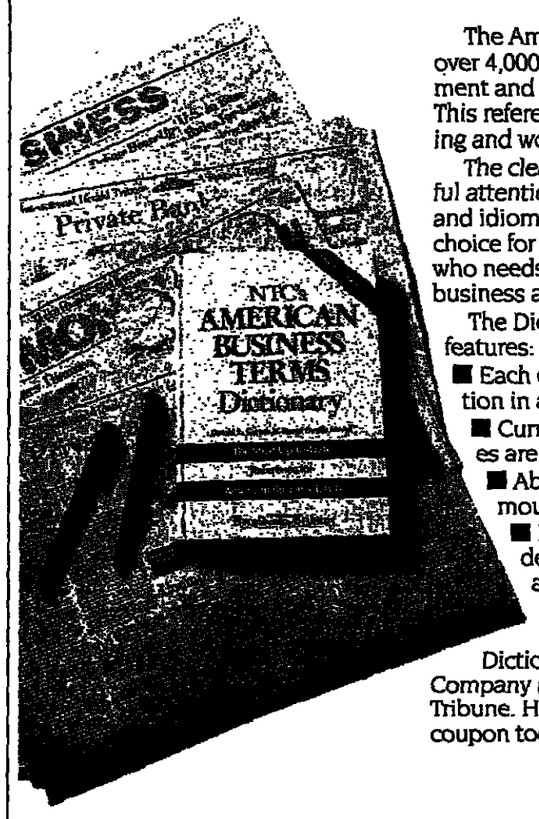

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Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Demolition Job

The Senate's consideration of the nomination of Anthony Lake to be director of central intelligence is beginning to look more like a demolition job than a reasoned review of his qualifications. Senator Richard Shelby of Alabama, chairman of the Intelligence Committee, has an obligation to examine Mr. Lake's fitness to run one of the government's most sensitive and troubled agencies. But Mr. Shelby keeps postponing hearings and raising new issues, leaving the impression that he would rather undermine the nomination than vote on it.

The dynamic of a damaged nomination is hard to reverse in Washington once it gains momentum. It is unfair to Mr. Lake and unworthy of the Senate to conduct the confirmation process by innuendo and cryptic comment, which has been Mr. Shelby's recent practice.

Some questions about Mr. Lake's suitability deserve careful review, including the issues of his independence, management skills and commitment to reform the CIA and other intelligence organizations.

Mr. Shelby, quite properly, wants to know whether Mr. Lake and his staff became involved in political fund-raising activities while serving as White House national security aides the last four years.

Mr. Lake's failure to sell stock holdings as directed by the White House while he was President Bill Clinton's national security adviser is troubling, even though the Justice Department found the lapse unintentional. His decision to keep Congress uninformed about the 1994 acquiescence in Iran's arming of the Bosnian Army was wrong.

Mr. Shelby complains that some of the committee's questions remain unanswered by Mr. Lake and the White House. That can be remedied quickly in a public hearing, where any dodging by the nominee will be obvious to the senators who must vote on his appointment. Mr. Shelby has also raised a slew of foreign policy issues, ranging from Haiti to Somalia, as if this were a review of Mr. Clinton's first term rather than an examination of one man's qualifications.

Mr. Lake deserves a chance to address the criticisms and to make the case for confirmation. Hearings should commence this month, not in March or on some other date that suits a strategy of attrition.

—THE NEW YORK TIMES.

Incumbency, Not Ideology, Is Leaders' Concern

By Jim Hoagland

WASHINGTON — The world's most important countries are now led by men more interested in being in office than in being in power. Today's national chief executives bend with rather than shape their times.

Voyaging between Washington and Moscow over the past 10 days brought this view of world leadership sharply into focus for me. I arrived back here as President Bill Clinton was seeing off Prime Minister Viktor Chernomyrdin of Russia last week and preparing to welcome Prime Minister Benjamin Netanyahu of Israel this week.

The Israeli and Russian leaders, men of different generations and principles, have this in common with their American host: They have made pragmatic retreats on principle recently when defeat or stalemate loomed. Ideology is secondary to them; staying in power is primary, even if that power is constrained by circumstance or their opponents.

Ever thus in politics, the art of the possible? Perhaps. But the unfolding of the first decade after the Cold War has brought to the fore leaders who do not pursue grand principles or ideas that they push forward by reaching compromise with opponents. They pursue compromise, to stay in office and to enjoy its attributes. They turn incumbency into a specialization.

The Clinton-Netanyahu meeting is itself emblematic of this phenomenon. Mr. Clinton skillfully withheld this White House visit for the Likud leader until he reached agreement with Yasser Arafat on the Hebron withdrawal plan. The White House photo-op with Mr. Clinton, who is genuinely popular in Israel, was the icing on a deal that Mr. Netanyahu was compelled to make by his own domestic opinion.

"The generation of politicians coming to office now understands electoral politics better than we ever did. But they have little concept of the use of power," one of Western Europe's senior political leaders told me recently in a conversation in which he singled out Mr. Clinton, Mr. Netanyahu and Poland's Aleksander Kwasniewski as representing "exactly the mood of this time of the professional politician."

But events in Russia and elsewhere demonstrate that this is not merely a generational phenomenon. Indeed, one of the great compromises to stay in power has been made by the aged Leninists who run China and who have sacrificed Marxism to buy public acquiescence to their repressive rule.

The transformation of Russia's economy has come to a grinding halt as the governing team has abandoned any serious effort at economic reform. The objective of Boris Yeltsin's government has become perpetuation of the transition and the vast fortunes it has created for some insiders, on a permanent basis if possible.

The great inequalities in income and unfair ownership arrangements of post-Soviet Russia once could be seen as unfortunate but temporary hardships needed to get a capitalist system jump-started there. But it has become clear in the past 18 months that the excesses are the objective for those who run the system. They are doing nothing to bring them to an end and everything to prolong them.

In the government, Mr. Yeltsin's young chief of staff, Anatoli Chubais, who headed a privatization program that in retrospect must be judged as a disaster of historic proportions, spends all of his time struggling to stay in office rather than in pushing reform. Mr. Chernomyrdin finds himself in the same boat as he shuts off wage and pension payments for months to keep inflation at bay so the International Monetary Fund will lend new money to Russia.

"The new ruling elite is neither democratic nor communist, neither conservative nor liberal," says the former presidential candidate Grigori Yavlinsky. "It is merely greedy and rapacious."

As a consequence, the Clinton administration no longer has an active Russia policy. There are no serious reform programs or reformers in power to support in Moscow.

Ideology is also out in Britain despite an impending election campaign. Tony Blair's New Labourites promise not to raise taxes or change much else if voters toss out Prime Minister John Major's astonishingly insular and tired Conservatives. In France, President Jacques Chirac has made a series of false starts toward domestic change that he has quickly abandoned in the face of public protest. Only Germany's Helmut Kohl, in power for 14 years, stands out as a leader pursuing his own agenda with confidence and conviction.

Those who debate whether leaders create history or history creates the leaders it needs can suspend their deliberations in this era of opportunistic incrementalism. Today's political leaders create themselves — as an act of will. That leaves them free to be what they need to be, on a daily basis if necessary.

The Washington Post.

Campaign Cash

President Bill Clinton went to the Capitol the other day and agreed with congressional leaders on five legislative areas where they might be able to make some quick bipartisan progress. Campaign finance reform didn't make the cut. The White House said not to worry. Everyone knows campaign finance reform is an issue on which there are major differences both between and within the parties. It couldn't be put on a list for possible quick hits, but that signals no lessening of the president's commitment, he having asked that a bill be sent to him for his signature by July 4.

Maybe so, but the omission raises a question. The president has rightly said that the bill will likely die if delayed, as has happened so often in the past. How does the White House then propose to break it loose? What will the president and his presumed Democratic supporters on the Hill try to do to force consideration of the measure? We're still waiting on that one.

What we and others fear is a repeat of the same old game with just a couple of tweaks here and there to suit current circumstances. The president and Democrats are under a fair amount of pressure to show their dedication to reform — who could be against anything called reform, after all? — because of the kind of let-no-dollar-lie-unsolicited fund-raising in which he engaged in last year's campaign. As the president has himself pointed out, the Republicans raised more — and raised some questions about how they did it, too. It's his tactics nonetheless that have become the center of attention.

He and the Democrats will get well, or try to, by clamoring for passage of the reform bill. The Republicans, who mostly oppose it, will meanwhile show their devotion to good government by attacking the president's own fund-raising. The first order of business, they will say, should be not to change the rules but to find out how the rules have been bent. They are setting up hearings, which is a good thing. The danger is that they will drag the hearings on ... and on ... and let their existence postpone legislative action, on the theory that you shouldn't legislate before you have all the facts. What could be more virtuous than that? The longer the hearings go on, the less time will be left to legislate; back to delay. If in the meantime the focus of the hearings can be kept on the presidential campaigns, so much the better for Congress, whose own practices will escape equal scrutiny.

In the end, they once again won't do anything but will have each other to blame for the inaction. The Congress will end without a bill, and the vacuuming of the interest groups and the rest of the electorate for funds will go happily on.

That's the fear, reinforced by too many years of experience.

It's why folks noticed when campaign finance didn't make the Tuesday list, and it's why we once again ask the question: What does the president propose to do to try to make this happen?

—THE WASHINGTON POST.

Will Britain Be the Hong Kong of Europe? Not at This Rate

By Roy Denman

LONDON — A constant theme of British ministers, for some time now, has been the contrast between the sputtering German and French economies, burdened by a rigid, high-cost labor market and the red tape of social regulation, and the deregulated, lower-wage British economy, now forging ahead.

The British growth rate projected for 1997 is nearly half again as much as either the French or German; British unemployment is falling dramatically; inflation is low, and foreign firms, attracted by low wages and deregulation, are flocking to invest in Britain. In 1995, Britain had two-fifths of all foreign investment in the European Union.

Does this mean that, as Prime Minister John Major is fond of suggesting, Britain is set to become the Hong Kong of Europe?

There are three sets of reasons for doubting this proposition.

First, the continental model has done better than the above comments imply. Between 1960 and 1995, average annual growth of GDP was 3 percent in the United States, 2.9 in Germany, 3.1 in France and 2.2 in the United Kingdom. Over a shorter time frame, the 20 years after the oil shock, Germany (2.4) outperformed both the United Kingdom (1.5) and the United States (2.2). Social cohesion is not necessarily inferior to hire and fire.

Moreover, on the Continent the need for change is recognized and changes have been and are being made. More needs to be done. But both Germany and France are running a substantial surplus on visible trade, and are confident of next year meeting the budget deficit criterion for a single currency. Britain has a massive deficit on visible trade and a ballooning public sector borrowing requirement.

Second, the recent British performance is not as glittering as pre-election Conservative hype would suggest.

The fall in unemployment can largely be explained by people, such as early retirees, leaving the job market. There are 1.1 million fewer employed than in 1990.

Spurts of high growth have been seen in Britain before, but they have never lasted because the fundamental problems of the British economy have never been tackled.

These are an educational system woefully inferior to those of our European competitors, a disdain for engineering worthy of a French nobleman before the Revolution and low investment. Over the years 1963 to 1992, investment as a share of GDP was broadly constant in Britain at 18 percent; in France and Germany it was consistently between 26 and 27 percent. Not surprisingly, a Cranfield School of Management study last year found that foreign-owned firms in the United Kingdom (some 10 percent of total capital stock) were 40 percent more productive than domestic industry.

Third, the United Kingdom seems about to refuse — at least for some years — to join a single European currency. If the Conservatives are returned to office, entry can be dismissed for the foreseeable future. If Tony Blair is elected, he will be saddled with the doubts on monetary union that he had to voice in the election campaign to avoid being labeled the poodle of Brussels. And he will find that the public, influenced by the media-hungry Euroskeptics of the Conservative Party and the largely foreign-owned British press, has gone sour on Europe. Should he later decide to go for monetary union, he could hardly win wholehearted national consent before the general election due in 2002.

Early next year, the composition of the single currency bloc will be decided. The consequence of Britain's being outside would be an immediate and massive drain of foreign investment from Britain to the Continent. International firms investing in Britain are above all concerned with access to the wider European market. They would see very quickly that British exports would be at risk if any factor — a sterling devaluation forced by speculation, or low wages (social dumping) — was seen by the inner group as giving Britain an unfair competitive advantage in a single market. Britain would effectively be out of the European Union.

This is the stark choice that is being concealed from the British public. Either Britain goes forward with its partners to build a politically integrated economic union or it is outside. There is no middle course. Talk about "renegotiating our terms of entry," or "retaining our sovereignty" or crying from the sidelines, "You rotters are fudging the criteria" is shouting in the wind.

Some major firms have already made this clear. On Jan. 16, Jurgen Gehrels, the chief executive of Siemens UK, said publicly that his company would never have committed itself to investing up to $1.4 billion in a microchip plant in Newcastle if it had realized that Britain might be out of a single European currency. On Jan. 22, Alan Marsh, the vice chairman of Toyota Motor Europe, warned that effective exclusion from the European Union "could have serious consequences for Toyota in the UK."

It looks as though the civil war on Europe within the Conservative Party will land Britain in the situation not of the offshore Hong Kong of Europe but as a depressed fringe. Such is the result of the British political class' failure to understand events across the Channel and to govern a country that was, 50 years ago, the toast of Europe.

The writer, a former representative of the European Commission in Washington, contributed this comment to the International Herald Tribune.

Annan So Far

Kofi Annan has been secretary-general of the United Nations for six weeks, and some in Washington are already grousing that he is not doing enough to reform the UN.

It is true that Mr. Annan has not yet turned the organization upside down. But he faces a Herculean task. He must refocus and restructure the UN for a world no longer defined by the ideological conflict of the Cold War. It will take time to make changes. But in this case patience may be rewarded by the development of an international body that can finally live up to the great promise that attended its birth.

Mr. Annan, an experienced man of proven managerial ability, is up to the job. He has the executive and diplomatic skills to reform the UN.

He recognizes that continued American support for the organization requires an overhaul, and that some steps must be taken soon. But he must set the pace and direction of change without badgering from Washington. The more beholden he seems to the United States, the less he will accomplish in an institution of 185 member states.

Mr. Annan plans to unveil his reform plan this summer. It should include administrative changes such as an end to permanent tenure for UN officials, and a commitment by governments to refrain from using UN agencies as dumping grounds for mediocre bureaucrats. Duplicative agencies in development, trade and agriculture should be consolidated, while ensuring that changes do not slight the needs of poor nations.

The UN should play a larger role in helping to end regional arms races, eliminate land mines and control biological weapons.

Washington owes the United Nations at least $1 billion in dues. This is an embarrassment. The dues are not optional, but part of America's obligation to its fellow members. The Clinton administration has proposed paying $100 million this year and $900 million in 1998 if a series of still unspecified reform benchmarks are met.

Mr. Annan has the political instincts to take some early actions that signal his intention to change the UN. He can do so on matters he directly controls, like the operation of his own office. He has already eliminated a layer of bureaucracy, delegated more authority and gotten rid of some high-level officials.

He should consider doing more to consolidate offices and replace inefficient staff. While waiting until summer to be specific on major reforms, he can draw on his long UN experience to propose a few changes now and use the consultation process to build support.

Washington, for its part, would be wise to back off a bit. The Clinton administration and Congress have been right to push for reform, but they are undermining their cause by leaning too hard on Mr. Annan. Those who are impatient might consider what kind of scorecard they would have earned after six weeks on the job.

—THE NEW YORK TIMES.

Argentina Once Again Confronts the Specter of Absolutism

By Tomas Eloy Martinez

NEW YORK — The great majority of human beings do not have the chance to see how absolutism grows.

But over the past 40 years, the Argentine people have enjoyed this privilege on three occasions.

The first time was when the provisional president Juan Carlos Ongania — who usurped power in July 1966, after engineering a coup against the constitutional president, Arturo Illia — promised two decades of peace and order. Mr. Ongania began his mandate by ordering the infamous "Night of the Long Sticks," when the police moved into the University of Buenos Aires and bludgeoned scores of science professors.

Thanks to the repression and the subsequent exile of dozens of scholars, scientific research in Argentina was set back about 50 years.

An adviser to the police chief of Buenos Aires province has been linked to the two Jewish center attacks.

The second time was when the former police sergeant Jose Lopez Rega, the sinister bodyguard, secretary and astrologer of General Juan Peron, managed to win the trust of Isabel Peron — who became president after her husband's death, in July 1974.

Mr. Lopez Rega, aided by two commissars and a squad of noncommissioned police officers, created the "Triple A," or Anticommunist Argentine Alliance. Their rightist death squads hunted human beings in the streets of Buenos Aires between September 1974 and July 1975.

The third time — the worst — was the massacre organized by the last military dictatorship, between 1976 and 1983, which instituted a culture of impunity, of unspeakable hatred for human life, of intolerance, violence and fanaticism whose echoes still reverberate.

Now the horizon darkens again. A new form of absolute power, no less perverse than the others, looms above institutions, the state, the law and all civilized languages of coexistence.

This power is growing in the soil of the Argentine government's inability or reluctance to find the culprits in such scandalous crimes as the bombings of the Israeli Embassy in March 1992 and of a Jewish community center in July 1994, both in Buenos Aires.

On Jan. 25, Jose Luis Cabezas, a journalist for the weekly magazine Noticias, was killed in Pinamar, an upscale Atlantic beach resort 250 miles south of Buenos Aires.

In a style reminiscent of the mafia-style crimes organized decades ago by Mr. Lopez Rega, Mr. Cabezas's corpse was found inside an incinerated car.

According to the police, Mr. Cabezas had been kidnapped, handcuffed, shot and then burned alive, after leaving a party attended by business executives, politicians and celebrities in Pinamar.

Mr. Cabezas had been investigating the links between a network of drug traffickers and several policemen in Buenos Aires province, Eduardo Duhalde, governor of Buenos Aires province, is the likely successor to President Carlos Saul Menem.

Beyond this, Mr. Cabezas had also unveiled the links between some officials of the national government and the "czar" of the corrupt private postal services, Alfredo Yabran.

The assassination of Mr. Cabezas is no less serious than the bombings — still unsolved — of the Israeli Embassy and the Jewish organizations, in which more than 100 people died. It is true Mr. Cabezas was only one human being, but he represents all the journalists working in peril to expose the growth of a corruption that could, once again, destroy the dignity and moral health of the Argentine people.

If Mr. Cabezas's killers are not found — or if the police take too much time finding them — his blood will rebuke the good name of Argentina. And it will spill on the deteriorated prestige of a government that, in its seven years of rule, has endured far too many atrocities to ascribe them all to bad luck.

In the case of the Jewish center bombings, President Menem and Mr. Duhalde had said they would seek the death penalty for the culprits — once they were found. Because the death penalty is unconstitutional in Argentina, these statements prompted a huge debate, which shifted attention from the main point: solving the crime.

Carlos Menem's government seems unwilling to find the culprits in the fatal bombings.

More than a year ago, Mr. Cabezas and other journalists learned that an adviser to Buenos Aires province's chief of police was an accessory in the bombing of the Jewish organizations, if not the man responsible. Mr. Duhalde stepped out to defend his police, saying they were "the best we have in this country."

But two days later, overwhelmed by the evidence, Mr. Duhalde had to order the resignation of his police chief, who then took refuge, most likely, in some Central American country.

All eyes are on Mr. Menem and Mr. Duhalde, but in fact the Argentine people doubt the competence or resolve of either to stop the crimes of absolute power now looming above the nation.

Impunity is like a poisonous chrysalis that explodes, suddenly revealing the features of absolute power. The habits of that creature are well known. It feeds on fear, passivity and indifference. But its principal food is silence.

The writer, the author of "The Peron Novel" and "Santa Evita," is chairman of the Latin American studies department at Rutgers University. This comment was distributed by New York Times Special Features.

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Dervish Rumors

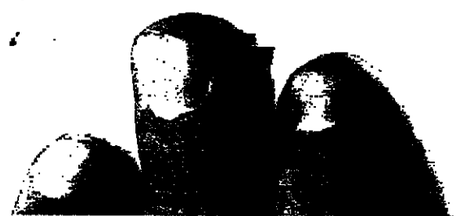
CAIRO — Rumors have been circulated about the dervishes' movements south of the newly reconquered provinces. The truth is that parties of dervish camel men are in the desert between Dongola and Omdurman, in the Soudan. It is reported that a raid on the province of Dongola is at present in contemplation.

1922: Pope Coronated

ROME — Amid a scene that was like a living page out of a book of medieval splendour, the coronation of Pope Pius XI took place Sunday [Feb. 12]. The whole church, capable of holding 100,000 people, was full for the ceremony, and thousands remained in the square. A long procession was led by two Swiss Guards. Then came all the high prelates and dignitaries of the Vatican household, each in distinctive costume, making a gay medley of colour. The singing of the Sistine Chapel Choir filled the church with mellow liquid melody and heralded the entrance of nearly 60 scarlet-caped cardinals followed by the Pope sitting in the "sedia gestatoria" (the chair of command) supported by 12 carriers.

1947: Polish Amnesty

WARSAW — President Boleslaw Bierut announced today [Feb. 12] a sweeping amnesty program that will empty Polish jails of most of their 70,000 political and other prisoners and mean full pardon for members of the anti-government underground except for those charged with murder. It is the most important step taken by the newly-elected government for the restoration of internal peace and order in the country and, if successful, will have vast influence on Poland's future.



OPINION/LETTERS

China's 'Princelings' Play It Smart

By William Safire

WASHINGTON — The 4,000 "*tai zi dang*" — "princelings," the corrupt capitalist offspring of China's aging Communist rulers — were gratified last February when one of their notorious members bought his way into a "coffee" chat with the president of the United States.

Wang Jun's triumph, arranged by the Democratic National Committee through a Clinton friend, Charles Yah Lin Trie, was made possible by a lapse of security among money-hungry Clintonites, who soon received $690,000 from the princeling's sponsors.

The FBI suspects Mr. Wang, son of a Long March hero, of trying to run 2,000 AK-47 automatic weapons into the hands of street gangs in the United States; Mr. Wang is known to be a middleman in purchases by the Chinese army of missiles from Russia.

That this rich thug was able to buy a handshake with the U.S. president, and could then use that demonstration of access in impressing other princelings, is symbolic of the new attitude toward the United States of a dangerous new class in China.

One part of that attitude is a contempt for U.S. greed; the princelings are convinced that American politicians and business leaders will do anything, or put up with anything the Chinese do, for a buck. The other part is rooted in a need for self-protection from ordinary Chinese not born to power, which the princelings handle by transferring that resentment to America as the people's enemy.

These fixerpreneurs are the Chinese wave of the future. They are coming into power in the army, in the Forbidden City, in the state-subsidized industries, in the favored banks taking over Hong Kong's prizes. They need an international enemy — an imagined threat of a superpower seeking the dreaded "hegemony" — and America is it.

At the same time, because they need America's market, capital and trade secrets for their speeded-up development, princelings are working on two tracks.

Internally, America is depicted as the seducer of Taiwan, container of offshore expansion and subverter of order with prattle about human rights. Externally, America is to be wooed with mutual visitations of leaders, all culminating this summer in a summit meeting welcoming a newly reasonable China into the World Trade Organization.

Smart and subtle. It means that the post-Tiananmen debate in the United States about China policy is outdated. In that old debate, the human rights crowd argued that trade sanctions and incentives could improve Chinese behavior; the business-first crowd argued that freedom would come in the wake of economic progress. That debate ended when the Asian Connection persuaded Bill Clinton to open the floodgates of China trade. Beijing's leaders and their princelings, unrestrained, jailed all dissidents. Although it turned out the human rights crowd was right about the foolishness of rewarding Chinese repression, who cares now? Engagement is a done deal.

Now we will have a new debate. On one side are the Clintonites, writers with a stake in Chinese official favor and business seekers of cheap labor. They still hope that prosperity will lead — someday — to democracy, and set up a straw-man argument that we have no right to "humiliate" China with our pious bias about freedom, or to "isolate" a billion industrious people.

On the other side are veteran China-watchers become New China Hands, who hold that China's princelings and their gerontocrat parents are bent on keeping centralized power; that fear of an outside hegemon is necessary to their propaganda; and that by mindlessly fueling China's economic expansion, America helps build up an anti-democratic superpower rival that will dominate Japan and all its Pacific neighbors.

Kissingerians and other longtime China-openers are torn by this new realpolitik. They read articles by Robert Kagan in The Weekly Standard, brace themselves for a new book titled "The Coming Conflict With China," by Richard Bernstein and Ross H. Munro, and wonder: Are these New China Hands the realists?

A decade from now, will America's smug supporters of China's dominance be reviled as naive fellow travelers who neglected U.S. strategic interests while betraying U.S. principles?

First let's find out all about Wang Jun's road to the White House.

The New York Times.

Today's Coed Army Needs a Legal Drill

By Richard Cohen

WASHINGTON — At Fort Dix, where I did my basic training, we budding soldiers were told that the infantryman was the Ultimate Weapon. No longer, though, can any grunt believe such nonsense. The ultimate weapon in today's army is a charge of sexual harassment.

MEANWHILE

The latest to fall victim to this modern-day dumdum bullet is the very sergeant major of the army, Gene McKinney. The highest-ranking enlisted man of them all, a 29-year veteran and a Legion of Merit holder, he was accused of sexual harassment by yet another sergeant major, the recently retired Brenda Hoster, and — after a principled pause — suspended from his job. In effect, he has been fired.

As is often the case in such matters, this is a he-says, she-says situation in which what Ms. Hoster says appears to have great credibility. Those who saw her interviewed on the CBS program "60 Minutes" — I did not — came away impressed.

She alleges that when she was serving as Mr. McKinney's public affairs specialist, he demanded sex from her while on an official trip. She also says he grabbed her and kissed her.

As for Mr. McKinney, he said nothing like this happened.

You may or may not believe him — frankly, I have my doubts — but that is not the point. He remains, in the tradition for which he has solemnly pledged to give his life, innocent until found guilty. This, touchingly, was the army's initial position.

"We are in a country where allegations are not proven fact, where charges are not convictions, where accuseds, no matter the seriousness of the charge, are not assumed guilty until proven guilty," said Togo D. West Jr., the secretary of the army.

A day later, he folded. It turns out we Americans are in a country where you are assumed guilty until proven innocent. It is but a minor variation on the old theme.

As is often the case, the army sounded retreat when it looked into the eyes of the Congress.

There, various members wondered why drill sergeants charged with sexual harassment were immediately suspended, while the sergeant major was not.

Drill sergeants, though, are the authorized petty despots of the troops they command. Their powers are so vast that if mine suddenly materialized I think I would still bolt out of my chair and bellow out, "Good Afternoon, Sir!" Sergeant majors never had that effect on me.

I entertain no jolly boys-will-be-boys casualness about sexual harassment. It is serious stuff. But the fight against it cannot take precedence over traditional notions of fair play.

In Mr. McKinney's case, however, not only was he virtually fired from his job but we have now learned — on the front page of The New York Times (*IHT, Feb. 12*), no less — that maybe two other women also have complained about him.

"We're not talking physical stuff," an anonymous source told The Times. "We may be talking about approaches to women."

Approaches to women? Is this front-page news? Is this a firing offense? Is this even true? We cannot, of course, know. But we do know that the flimsiest and yet the most poisonous of charges have been aired about a man whose career, I take it, has been exemplary.

By now, there is ample evidence to suggest that the military is stumbling around in a state of shock from its various sexual scandals and outrages.

A politically correct mentality grips the services. It seems officers may beach their ships or lose their planes, but they better not commit adultery or have been anywhere near the 1991 Tailhook convention.

One navy officer had a promotion denied for watching a stripper strip — not, mind you, for participating in any of the activities that made Tailhook synonymous with barbaric behavior.

When it comes to integrating women into what was a men-only occupation, that of warrior, the military has its work cut out for itself. In some respects — joint training of men and women, for instance — it may have attempted the impractical.

The rest of society watches transfixed: Why else is a single alleged episode involving two obscure noncoms given front-page treatment?

In Mr. McKinney's case, it may turn out that he dehumanized Ms. Hoster, turning her into an object. But that does not excuse or permit his own dehumanization. Until guilty, he is innocent.

He may no longer be the ultimate weapon, but the presumption of innocence still remains our ultimate value.

The Washington Post.

LETTERS TO THE EDITOR

About Swiss Neutrality

Regarding "What Switzerland Most Needs to Open Are Its Moral Accounts" (Opinion, Feb. 6) by Thomas Friedman:

The Swiss are surely incompetent in public relations. But this is no reason to allow Mr. Friedman to sustain his open season for Swiss character assassination.

For half a century before the war, the Swiss accepted universal military service and paid high taxes to maintain the "neutral posture" he so despises. Should the wartime leaders of Switzerland have announced that those sacrifices were in vain and that they should now put themselves under the Hitler boot?

Instead, they did it the American way, leaving Western Europe, Britain, Southeast Asia and (by a few days) the Soviet Union to fend for themselves until the fortuitous infamy of Pearl Harbor provided the American electorate with some of the global education previously denied to it by its government and its media.

HENRY A. SANDOZ.
Paris.

The article was unfair and unpleasant. Presumably Mr. Friedman would have preferred Switzerland to have declared itself hostile to Nazi Germany, to have been swiftly swallowed up, and suffered the fate of occupied Europe. In that case, the Swiss Jewish community would undoubtedly have been liquidated and the country systematically looted, including the banks.

Even the United States severely restricted the entry of European Jewish refugees before the outbreak of World War II. One need not agree with all of Switzerland's actions during the war. But they are understandable in the context of a small, landlocked country literally encircled by dangerous neighbors.

MALCOLM BONE.
Zurich.

We the Swiss, do not deserve this discredit. We are a fastidious people, true, but a decent one. We are not likely to be extravagant, either in deeds or words, or to overextend ourselves, even for a good purpose.

But we have a strong sense of duty and responsibility, and we are generous, as the extent of our private contributions demonstrates whenever funds are being collected for humanitarian causes, and as is apparent, yes, in our actions in both world wars.

L. BODMER.
Zollikon, Switzerland.

As a Swiss born after the war, I am ashamed of some aspects of Switzerland's position during that period. It succeeded, nonetheless, in maintaining a considerable trade and financial relationship with the Allied countries, which was very useful to their war effort.

If there was a moral failure vis-à-vis totalitarian regimes, it was shared with the rest of Europe, if not by a whole civilization.

STEVEN BERNARD.
Switzerland.

Regarding "Wartime History Haunts the Swiss" (Feb. 10):

The *Hetze* against Switzerland is really going too far when an article refers to "collaboration with Hitler." To collaborate means "to cooperate, usually willingly, with an enemy occupying one's country." A neutral country cannot collaborate with another country. And what is meant by neutrality was explained clearly by William Safire (*"In Banking Brouhaha, Swiss and Jews Benefit" (Opinion, Feb. 4)*, when he wrote: "Neutrality was better than occupation; it meant helping both the Axis and the Allies (with Allen Dulles of the American Office of Strategic Services operating a valuable listening post in Switzerland)."

ARI SIGMOND.
La Tour-de-Peilz, Switzerland.

Enforcing Human Rights

Regarding "UN and U.S. Get Pressure on Rights" (Feb. 3):

Kenneth Roth of Human Rights Watch is correct to criticize the United Nations Commission on Human Rights for focusing disproportionate attention on certain countries while ignoring gross violations by others. Some commission members' attempts to reform the agenda by proposing a unanimity clause is indeed cause for concern. Such a change could only stall progress on human rights by giving any country veto power over the commission's actions.

The power of countries with abysmal human rights records must be diminished, not increased. Of the 53 members of the commission, Freedom House, an independent research institute monitoring democracy and human rights, rated more than 20 percent "not free" and almost 40 percent only "partly free" in terms of political rights and civil liberties in its December 1996 annual report. Human rights are too important to be left to those who do not hold them in the highest regard.

ERIC BERMAN.
Geneva.

The writer is the executive director of UN Watch.

Excesses of Liberalization

Regarding "Economic Reform and Safety Nets Go Together" (Opinion, Jan. 9) by Bimal Ghosh:

I agree with the writer's reasoning. His solution, however, is a palliative, not a cure. Recently, John Williamson, the godfather of the "Washington consensus" on liberalization and globalization, expressed the view that things have gone too far in terms of reduction or abolition of state responsibilities and that a strong state is best for governability and growth.

Better late than never, but one hopes that those who have suffered severely from excessive measures imposed in the name of liberalization will be given rehabilitation and compensation.

Development of an equitable and sustainable kind will never be achieved by a formula that concentrates resources, power and riches in the hands of an unaccountable elite, whether at the national or global level. Even some of the major players in liberalization and globalization are beginning to acknowledge the social and environmental excesses inherent in the current formula.

Correct the excesses, integrate social, environmental and economic priorities into unified, concerted action, and safety nets will not be needed.

KEVIN LYONETTE.
Nyon, Switzerland.

BOOKS

THE LANGUAGE OF NAMES

By Justin Kaplan and Anne Bernays. 256 pages. $22. Simon & Schuster.

Reviewed by
Christopher Lehmann-Haupt

NOT, until the final chapter of their new book do Justin Kaplan and Anne Bernays arrive at the philosophical heart of the subject they explore with such variety in "The Language of Names." Here they sum up "Cratylus," Plato's fourth-century B.C. dialogue about the origin of language and naming.

On one side, Cratylus argues that names are natural and real. On the other side, Hermogenes says they are conventional and arbitrary. In the middle, Socrates concludes, in the authors' words, "that names, being the product of a rational process — language — are based on nature but also modified by convention and usage."

That the authors saved this summary for the end is probably just as well. It leads them to a description of the formal study of names, called onomastics, which they describe as "an ungainly word, with irrelevant echoes of mastectomy, mastication, masturbation and the paving material called mastic."

It leads them as well to a sampling of articles written on the subject, like "Objectionable Sport Team Designations," "Dinosaur Place Names in Colorado" and "The Effect of First Names on Perceptions of Female Attractiveness." ("The results indicated that the impact of a desirable or undesirable first name on attractiveness is minimal.")

By contrast, the authors of "The Language of Names" have some fun with their subject. Married and, respectively, a biographer and a novelist, Kaplan and Bernays relish oddities. For instance, they cull a single college faculty roster to find names like Sherlock Bronson Gass, Prosser Hall Frye and Melanchthon B. Posson, and conclude that having an unusual name doesn't necessarily impede accomplishment. (One might argue just as logically that being nominally challenged drives you into the isolation of scholarship.)

Elsewhere they note in passing that "a 1971 study found there were three times as many 'juniors' in psychiatric treatment as in the general population." They kindly make no connection between this and "the extreme case of the prizefighter George Foreman," who named every one of his sons George.

They report that "in 1994-1995 the most popular name for Hispanic boys in New York City and for Asian boys there and in San Francisco and Florida" was Kevin, which is the diminutive for "comely, beloved," in Gaelic.

In their chapter on black naming, they sensitively trace what Ebony magazine has called "an old and controversial issue." They conclude that black parents who are now coining neologisms as names — from a single public-school roster in Chicago they cite Bogumila, Gonorleathia, Iniabase, Quadrinea, Xrmeng and Zikkiyyia — are simply trying to declare their children unique.

KAPLAN and Bernays even take a position on the Socratic debate in "Cratylus," insofar as they insist that, whether natural or arbitrary, one's name becomes essential to one's identity. As they explain in their preface, they each feel strongly about this because of their own experiences growing up: Bernays as the daughter of a mother who couldn't make up her mind whether to be Miss Doris E. Fleischman or Mrs. Edward L. Bernays; Kaplan as a child who was Justin until he was 7, Joseph until he was 12, then both thereafter, leaving him with "a double first-name identity, as well as a confusion in school and medical records."

One wishes they had gone further in several different directions. One wishes, for instance, that they had attempted some explanation for the extreme fear of women that they see in men who are reluctant to allow their wives the independence of having their own names.

They cite the theory of Sir James Frazer, author of "The Golden Bough," that, in their words, "the human race is slowly crawling out of the magic mode up to and through the religious and will finally emerge in the sunlight of science and rationality." But on "the measureless dread of women" that this dubious proposition entails, they have nothing to add.

At another extreme, one wishes they had been even more playful. They mention Ima Hogg, the Texas hostess, and the fact that she actually had no sister named Ura Hogg. But they fail to point out that Bill Lear, the designer of the LearJet, named a daughter Shanda. And they make no reference at all to the famous exchange of letters in the 1950s between the poet Marianne Moore and Ford Motor Co. in which the correspondents tried to come up with a name for the new car that the company ended up calling the Edsel. Talk about the language of names!

Still, this book has its practical uses as well as its entertaining ones. In a chapter called "Rules of Engagement: The Etiquette of Names," they quote the observation by the columnist William Raspberry that "there are only two kinds of people in America: those who go around calling strangers and other nonintimates by their first names and those who resent it."

For those who resent it, the authors recommend the strategy proposed by Judith Martin, author of "Miss Manners' Guide to Excruciatingly Correct Behavior," which is: "Address the offenders by their last names, no matter how many times they urge you not to. If they tell you only a first name or say, 'Call me Sam,' then address that person as Mr. Sam."

Then relax and curl up with "The Language of Names."

Christopher Lehmann-Haupt is on the staff of The New York Times.

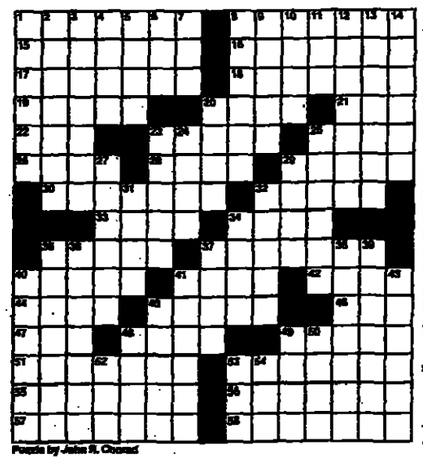
CROSSWORD

ACROSS

1 Certain idols
8 Vet's treasure
15 Morose sort
16 Worthless
17 They may grow up to be bald
18 Relatives
19 Fiddle with
20 Czech composer Janácek
21 Capitol—— (music company)
22 —— chi
23 Rolaids target
25 Frank
26 Go-devil
28 Obscures
29 Litigation
30 Ones loaded with Valentine's gifts
32 Belief
33 Lacquered metalware
34 U.K. carrier of old
36 Pine, e.g.
37 Armoire alternatives
40 Canoeists' peril
41 "Marjorie Morningstar" novelist
42 Academic periods: Abbr.
44 Be —— to (help out)
45 1964 Glenn Ford film
46 Crude
47 Tape player spec: Abbr.
48 "Nuts!"
49 Vermont quarrying town
51 Like some modern carpets
53 Early dweller along the Dead Sea
55 Aggravation
56 Stab, in a way
57 Generous spirit
58 Despair

DOWN

1 1950's doo-wop group with the hit "A Thousand Miles Away," with "the"
2 Gay refrain
3 Incapable of moving
4 Hamlet, e.g.
5 European border river
6 It might be placed in Nevada
7 Name appendages
8 Tightwads
9 Coalition
10 Homecomings?
11 Numbers on a board: Abbr.
12 "Key" menu item
13 Natural habitat
14 Cheery
20 Blockheads
23 Sincere
24 Brought forth
25 Product package info
27 "No kidding!"
29 Classical haptad
31 Brown and others
32 Was emboldened
34 Cloud
35 Japanese beer
38 Words before '96, '97, etc.
37 Fur
38 Baked dish served cold
39 Spruce up
40 One lacking in conviction
41 Made independent
43 Kind of deaf
46 Routine
48 Actress Maryam
49 Laddie, in Australia
50 One way to run
52 It proceeds with craft
53 Go back
54 Org. since 1890



Puzzle by John R. Chorost

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Solution to Puzzle of Feb. 13

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BRIDGE

By Alan Truscott

THERE are two trophies named for the late Albert Morehead, who wrote this column for 28 years. One is awarded to the Grand National Team Champion, and the other goes to the winners of the New England Knockout Teams.

Morehead was South on the diagramed deal, played in 1931 at the Lovejoy Bridge Studio in Manhattan. His three no-trump contract was optimistic, because his partner responded to one heart with inadequate values. A club was led to the ace, and East returned the suit. Convinced that the finesse of the jack would fail, South took the king and exited with the jack.

West took two club tricks, on which South gave up two spades from the dummy and a heart from his hand. A heart was led to the king and ace, and Morehead cashed the diamond ace. The ten suggested that West held the king, for lacking that card a shift to a diamond from a J-10 holding would have been likely rather than a heart. (Modern players would be guided by the principle of restricted choice, not known in those days.)

South followed with the diamond nine, preserving a fourth-round entry to the dummy. On winning with the diamond king, West played a spade, which gave up two tricks: He was squeezed later in the major suits when South took two spade tricks and two diamond tricks ending in the dummy.

Making the game helped Morehead achieve a remarkable feat: five times in six games he had scores of more than 70 percent. This made him very unpopular with the club owner, Mrs. Lovejoy, who had offered a large cash prize for the best six scores in a 10-week period. With Morehead sure to win, nobody else wanted to play in the remaining weeks. She refused to pay the prize, but appointed him assistant manager at the handsome wage of $25 weekly.

NORTH
♠ Q J 8 5 4
♡ 8 5
◇ 8 5 3 2
♣ 8 5

WEST
♠ K 7 3 2
♡ J 7 6
◇ K 10
♣ Q 10 7 3

EAST
♠ 9 6
♡ K 9 4 3
◇ J 6 4
♣ A 6 4 2

SOUTH (D)
♠ A 10
♡ A Q 10 2
◇ A Q 9 7
♣ K J 9

East and West were vulnerable. The bidding:

South	West	North	East
1 ♡	Pass	1 ♠	Pass
3 N.T.	Pass	Pass	Pass

West led the club three.

INTERNATIONAL HERALD TRIBUNE
FRIDAY, FEBRUARY 14, 1997

Leisure

TOMORROW: MONEY PAGE 10

DINING

At the Table, Odes to the Southwest

By Patricia Wells
International Herald Tribune

PARIS — While many of France's top-ranking chefs continue to bicker about the future of their industry — shall we or shall we not remain traditional French? — Alain Dutournier continues along on his own, well-chosen way. Along with his wife, Nicole, Dutournier runs two of the city's steadiest and most stable establishments, always creating trends rather than slavishly following them.

Perhaps it's because more than many other elevated French chefs, Dutournier has true roots in the country, the southwest of France, that continue to nourish his mind and his soul. He's also a serious eater and a lover of good times, and that passion shows in his food and on his table.

That's not to say he's not affected by France's tough economic times. I remember the days when a two-week wait was standard for a table at the cozy Belle Epoque Au Trou Gascon, just off Place Felix Eboue in the 12th arrondissement. The other weekday evening, the restaurant was one-third full, despite the bargain 285-franc ($50) menu that assures wine "jusqu'a plus soif," until you're no longer thirsty! Diners in search of honest value and serious food could do much worse than dig into Au Trou Gascon's classic paté chaud, a warm and soothing foie gras and potato terrine. Or better yet, a platter of sparkling fresh oysters accompanied by grilled homemade sausages.

Main course offerings include an astonishing platter of roasted brebis, tender lamb from the southwest, with a rich, robust flavor not soon to be forgotten. As ever, the intensely flavored sheep's-milk cheese served with a tiny salad forms a perfect close. Accompanying the 285-franc menu are the Tursan blanc and the dark, vigorous Madiran, the red from Domaine Capmartin.

Note that the restaurant is now open on Saturday nights.

THE GRANDER PLACE At the "big house," Dutournier's Carre des Feuillants off Place Vendome, the chef continues to innovate and upgrade. The 11-year-old restaurant has received a minor face-lift, with new art on the walls and a new menu, but the same rustic-elegant charm continues to attract a faithful clientele. Dutournier's food has never been better or showed greater maturity. His flavors are clean, clear and without confusion, and his marriages of flavors and textures continue along a solidly innovative line.

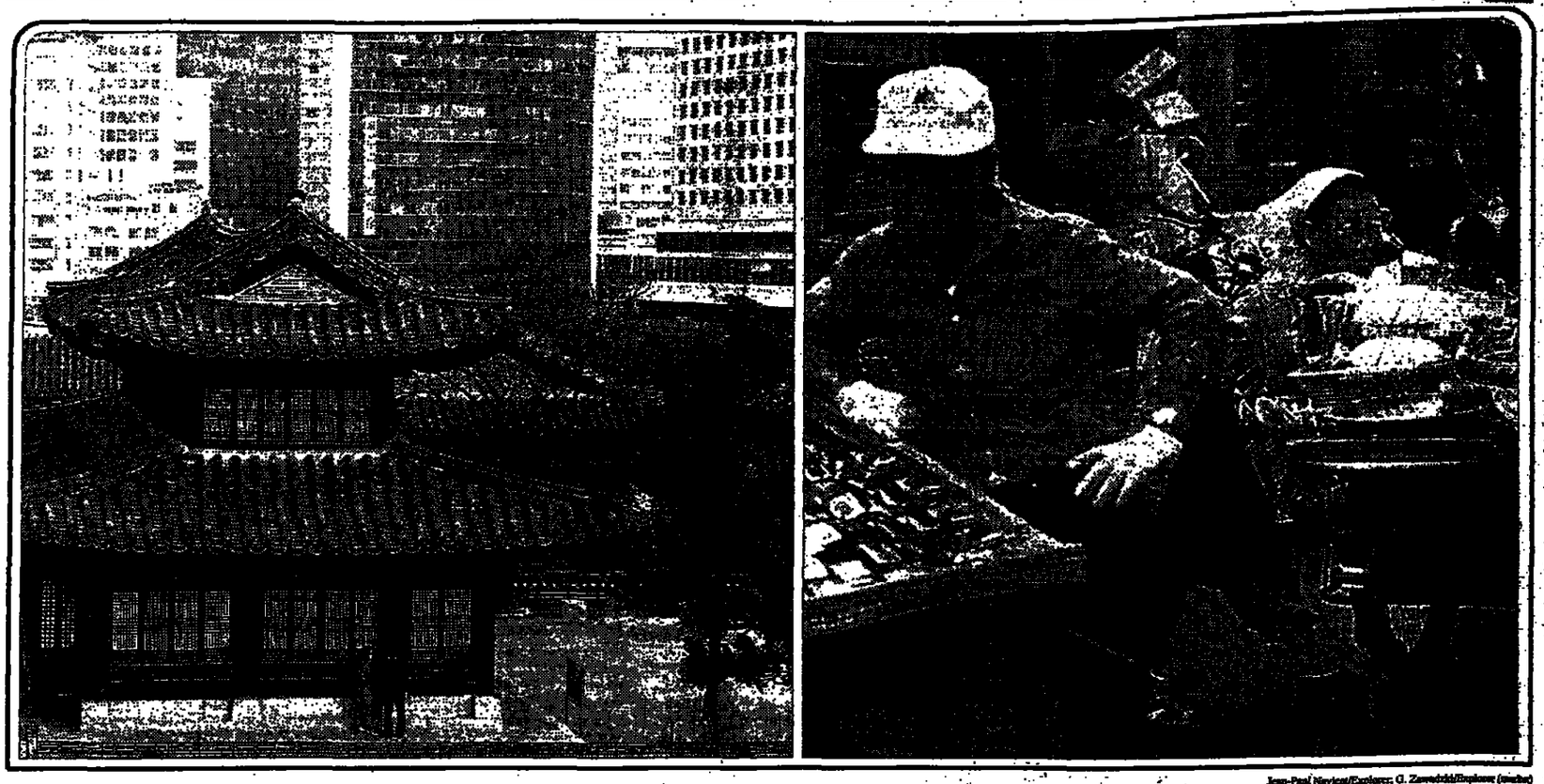
Favorites of a recent dinner include a soothing layered "gateau" of nutty jerusalem artichokes, black truffles and foie gras, a perfectly seasonal opener that marries the noble truffle and foie gras with the highly underutilized *topinambour*. But my preferred dish of the moment is his expertly roasted baby, milk-fed lamb from the Pyrenees, served with a delicious *escauton* of corn, actually a coarse polenta stuffed with fresh black truffles.

Desserts follow form, with an updated version of a classic — pears poached in sweet muscat wine and served with a vibrant ginger and rosemary ice cream.

Wine lovers are always in for a treat here, with a chance to sample a different glass of wine with each course on the truffle menu or to discover various wines by the glass a la carte. Some discoveries include such rare wines as Romania's sweet Murfatlar from the chardonnay grape, and Hungary's sweet and aromatic Tokaji Aszu.

Au Trou Gascon, 40 Rue Taine, Paris 12; tel: 01-43-44-34-26. Closed Sunday. Credit Cards: American Express, Diners Club, Visa. 190-franc lunch menu; 285-franc dinner menu (including service and wine). A la carte, 235 to 410 francs, including service but not wine.

Carre des Feuillants, 14 Rue de Castiglione, Paris 1; tel: 01-42-86-82-82. Closed Saturday lunch and all day Sunday. Credit cards: American Express, Diners Club, Visa. 285-franc lunch menu, including service but not wine; 850-franc truffle menu. A la carte, 470 to 610 francs, including service but not vine.



Jean-Paul Nevieu/Explorer; G. Zaweddi/Explorer (inset)

The old Korea stands side by side with the new: pagoda and park against the skyscrapers and a market scene in Seoul; below, Kunjongjon Pavilion at Kyongbokkung Palace.

Beyond the Crowds to the Heart of Seoul

By Neil Weinberg

SEOUL — If you're among the swelling ranks making the corporate rounds in Seoul these days don't despair. Yes, Seoul is bigger, uglier and more crowded than ever. But it's also packed with cultural diversions, virtually free of street crime and still a good place to shop.

First, the bad news. Those screaming bargains that once launched charter shopping flights from the U.S. West Coast are fewer and harder to find these days. Prosperity has also spawned horrendous gridlock, so getting around Seoul is more unpredictable than ever.

Count on an hour to get from Kimpo International Airport to most hotels. Since few first-class properties have sprouted up since the 1988 Seoul Olympics even though the flow of businessmen and Japanese tourists has increased steadily, the city's best hotels are busy places these days. It pays to book early.

Given the traffic, you should also carefully consider your choice among Seoul's 10 or so deluxe hotels. Smack in the center of town is the Hotel Lotte. Virtually a city within a city, Lotte's labyrinth of underground shopping arcades and the Lotte Department Store contain just about everything you could desire. Two quieter choices nearby: the elegant Westin Chosun, which served as General Douglas MacArthur's headquarters during the Korean War, and the Seoul Plaza Hotel near City Hall.

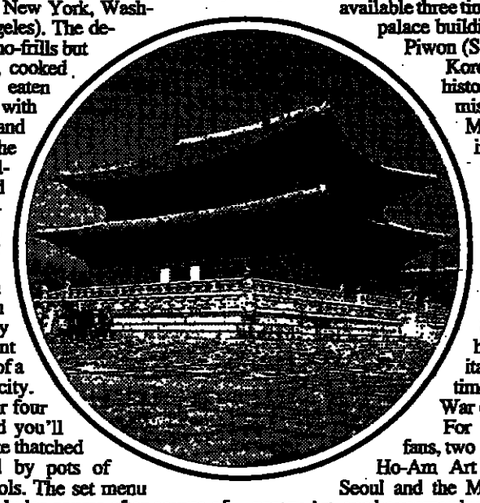
ROOMS WITH A VIEW Other good though slightly less convenient choices are the Hilton International, up Namsan Mountain from Seoul Station, and the Grand Hyatt, five minutes by cab from the It'aewon shopping district. Both offer attractive city views, attentive service and a bit of refuge from the city. The Hotel Inter-Continental and new Ritz Carlton also rate well but are several miles south and could cost you dearly in commuting time. Farther out still is the Sheraton Walker Hill with a casino open to foreign visitors.

Seoul's best hotel is probably the Shilla. A few miles east of Lotte, it is the choice of many heads of state and corporate bigwigs. Executive-floor rooms come with Mercedes-Benz airport limousine service and use of a secretary and butler.

All leading hotels offer business centers, fitness clubs, pools, several restaurants, a nightclub and duty-free shops. Room charges have doubled or tripled over the past decade, so expect rack rates of $200 to $400 a night (plus another 20 percent for tax and tips), before corporate discounts.

Much of Seoul's best non-Korean dining is still found in hotels, with a number of good choices. Try the Chosun's Ninth Gate for nouvelle cuisine or the Shilla's Palsun for an elegant Chinese meal.

Of course the real culinary treat is Korea's own spicy fare. For *pulgogi* (Korean barbecue) a good bet is Woo Lae Oak, a short cab ride from the city center (branches in New York, Washington and Los Angeles). The decor and service are no-frills but the marinated beef, cooked at your table and eaten wrapped in lettuce with red pepper paste and garlic, is among the best. Dinner, including a bowl of cold noodles to extinguish your mouth, runs $30 to $50 per person.



Another Korean treat is Dae Won Gak, a beautifully landscaped restaurant snaking up the side of a hill north of the city. Book in advance for four or more people and you'll be served in a private thatched cottage surrounded by pots of *kimchi* and farm tools. The set menu ($80 per person) includes course after course of Korean delicacies — vegetable fritters, sauteed squid, barbecued beef, grilled fish, kimchi and Korean sashimi, among others.

For a buffet meal and Korean dance show try Korea House. Sanch'on in the Insa-dong arts-and-crafts-district is a more quaint eat-and-be-entertained combo. The restaurant is run by Kim Yon Shik, a former Buddhist monk, and serves a course of vegetarian temple cuisine ($30). Dance and drum performances begin at 8 P.M.

For sightseeing, Seoul's three main palaces are well worth a look. A short walk from central hotels is Toksugung Palace, notable for its beautiful 15th-century-style buildings and out-of-place neoclassical addition in the rear.

Kyongbokkung Palace, one mile north, is a sprawling complex first built in the 14th century that's ideal for an afternoon stroll. The grounds house the National Folk Museum and, until recently, were also home to the National Museum of Korea. The government recently razed the Japanese colonial building housing the state art collection as an affront to the nation, seven years before the replacement will be complete. Until then, only a small part of it is on view at a temporary site inside Kyongbokkung.

Seoul's third grand palace, Ch'angdokkung, is still home to members of the royal family and requires a guide. English-language tours are available three times a day and include palace buildings and the 78-acre Piwon (Secret Garden).

Korean War veterans and history buffs shouldn't miss the War Memorial Museum. Completed in 1994 near the It'aewon shopping district, the spacious grounds contain a large collection of military hardware — everything from a B-52 bomber to Soviet tanks. Inside is an impressive exhibit of Korea's military history. If short of time, skip to the Korean War exhibits.

For contemporary art fans, two good choices are the Ho-Am Art Gallery in central Seoul and the Museum of Contemporary Art, one hour away by cab. Another worthwhile day trip from Seoul is the Korean Folk Village. The cultural capital of Kyongju is about four hours south by train.

Seoul's other big attraction is shopping. Though you might not buy much, don't miss Namdaemun (South Gate) Market, Korea's largest general wholesale market. Its 1,200-plus shops and stalls sprawl for several blocks between the Chosun and Hilton hotels. On sale is everything from designer knock-offs to deer-antler extract and cooked pig's heads.

Insa-dong is the most reliable place in town to buy crafts and antiques, including celadon and white porcelain pottery, carved wooden masks and prints. Not far from the city center, Insa-dong also has many restaurants and coffee houses (including Sanch'on) and can make for a pleasant night out.

For a glimpse of Seoul's fashion scene, check out Myong-dong east of the Hotel Lotte. But be forewarned: On weekends it's a teenage mob scene.

More upscale is newly trendy Apkujong-dong south of the Han River and home to thousands of Korea's nouveau riche. The main drag, nicknamed Rodeo Drive, is anchored by the Galleria and Hyundai department stores, two of Seoul's most exclusive. Bouriques, restaurants and coffee houses (many with English menus but few foreigners) trickle for blocks along the thoroughfare and narrow surrounding streets. Apkujong is most alive at night when designer clothes, flashy cars (preferably imported) and portable phones are de rigueur.

For down-to-earth shopping, It'aewon is still your best bet. The area originally served the U.S. Eighth Army base nearby and retains some of the bawdy attractions and bar girls who frequented even upscale hotels in a less prosperous era. It'aewon also includes 1,500 shops specializing in clothing, shoes, luggage, handcrafts and sporting goods.

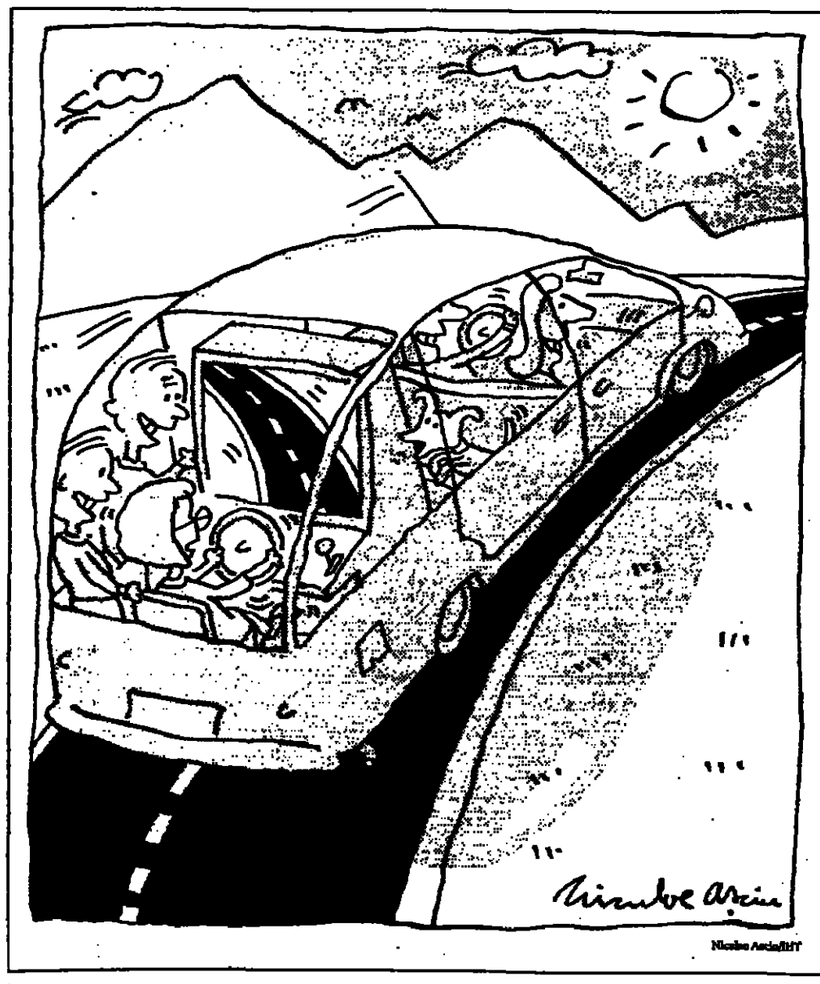
It isn't Savile Row but many business travelers pick up tailored suits, shirts and leather goods. Suits run from around $300 to $2,000, depending on the shop and fabric. Some tailors will turn around jobs in as little as a day or two, but remember: You get what you pay for in time and money.

TAILORED cashmere coats start at roughly $700, leather jackets at $100 and cotton shirts at $20. It pays to shop around and bargain. Another option are the tailors in and around the major hotels, where suits start at around $800 and require two days to a week from the first fitting.

Also check out the many off-the-rack bargains and antique Korean furniture. Chosun Antiques east of the Hamilton Hotel sells antique and "old" chests of drawers, medicine cases and other items from about $300 to several thousand dollars. Most shops will ship overseas but be sure to specify door-to-port or door-to-door delivery.

The Korea National Tourist Organization is a good source for travel information. It has offices in major cities abroad.

Neil Weinberg is the Tokyo bureau chief of Forbes.



Nicolas Arcia/IHT

KIDS

Games Children Just Might Play

By Susan Keselenko Coll

WASHINGTON — Not so very long ago, a lame coloring book or a deck of cards — maybe even a set of magnetic checkers if one was really lucky — were among the few tools available to distract the kid who was otherwise intent on opening the aircraft's emergency exit or on doing handstands in the backseat of the car.

An increasing number of simple but innovative travel games have begun to appear on the market, ranging from minature versions of familiar board games to activity books, card games, and puzzles. Jeff Pinsker, of University Games, based in Burlingame, California, notes that over the past four or five years travel games have become more interactive, and are not simply intended to keep the kids quiet in the backseat.

The chances are good that, if your child is old enough to drool, then someone out there has designed a product to amuse even the most implacable traveler. At least for a minute or two.

In a random sampling of about 40 books and games, Milton Bradley's Clue Jr. was one of the more popular items with my children, aged 11, 8, and 7. Not only is the game entertaining, but it is well designed for travel, with a minimum of lossable pieces.

THE SANDWICH QUESTION

"Kids Travel," a "Backsear Survival Kit" put out by Klutz Press, was also a big hit. The book advertises itself as "Complete with everything we could possibly think of," and indeed, has kept my 11-year-old daughter glued to the kitchen table for the past week, learning sign language and decoding messages and subjecting her parents to a battery of tests including a pop quiz and an IQ test, and a driver's test with such questions as whether you can legally eat a sandwich while driving in the United States.

Several of the card games were also fun, particularly University Games' travel version of Truth or Dare, which kept everyone occupied for long stretches but, alas, requires participants to double-check the color of their underwear or pour water over their heads or give an occasional bloodcurdling scream — activities which may not be appreciated by fellow passengers.

Other card games — some civilized enough to encourage adult participation — include ASAP, the Quick-Think game, as well as amusing spins on old games, such as Old Bachelor and Non-Violent, Politically-Correct War. Chronicle Books' card decks of 52 Fun Things to Do in the Car, or, alternatively, on the Plane, also offer good diversions.

There is, of course, a distinction between games that are simply small enough to travel with, and games that can cross continents intact, without having their countless bits strewn throughout an aircraft, or stuffed irretrievably behind the car upholstery. Hotshot Basketball, for example, was an instant hit with my son, but with its tiny balls, it would be better stashed in a suitcase for later use than played on an airplane tray table.

One of the more creative puzzles — albeit one with smallish, lossable pieces — is "Rush Hour," recently released by Binary Arts Corporation. The "traffic jam puzzle" presents a series of vehicular snarls, the goal being to get one's own automobile free of a tangle of trucks and cars. It is also good practice for becoming a parking garage attendant one day.

There is no shortage of travel workbooks available which, in my experience, are always good for killing an hour or two. Rand McNally, for one, puts out a range of "backseat books," which feature puzzles and mazes and brainteasers.

For the very young traveler, of course, prayers for a swift arrival are probably more useful than 10 overhead compartments filled with the newest fangled games. Still, there are a few items worth checking out:

Hungry Hungry Hippos — where two plastic hippos compete to gobble up the most plastic balls — was recently introduced in a travel-sized version. While the game is perhaps not the most intellectually challenging, it is at least packaged such that it is impossible to lose the pieces unless your toddler has slipped a sledge-hammer into the diaper bag.

A POCKET-SIZED Etch A Sketch comes with a book of games and instructions on how to develop one's latent Etch A Sketch talents by drawing good-looking curves and diagonals, as well as the more advanced art of writing Egyptian hieroglyphs, or drawing pictures of pancakes stuck to the ceiling.

Then there is the One fish two fish red fish go fish! card game, which comes with a cassette of the Dr. Seuss Book and is designed to make the Go Fish card game at least somewhat more stimulating for parents and children alike.

Schlepping along every game on the market is, of course, no guarantee of a painless journey, but as anyone who has traveled long distances with small children can testify, no price is too high for a quiet moment to reflect on why one chose to bring the kids on a 12-hour flight in the first place. Besides, you never know what you might learn. It *is* legal to eat a sandwich and drive at the same time in the United States, but one is advised to check with local authorities in other countries.

Susan Keselenko Coll is a Washington-based writer.

THE FREQUENT TRAVELER

Internet Tickets: A Skeptic's View

By Roger Collis
International Herald Tribune

THE Internet is *revolutionizing* the travel industry, according to *some pundits*. But for many travelers the Internet is still more of an adventure playground than a serious way to arrange a sales trip to Asia. The future is still tomorrow.

O.K., so you've signed up with a "services provider" for E-mail or the Internet, like CompuServe, America Online or Microsoft Network, and logged on. If you know exactly what you want and where to go, you click to the home page at the Web address of a particular travel agency, airline or hotel. If you don't know, you go to a "search-engine" like Yahoo, AltaVista, or Web-crawler *from* where you start surfing around. It's trial and error. Next stage may be searching within, say, an airline site for a flight and booking it. Then you have the problem of paying for the ticket. Are you *happy about the* prospect of sending your credit card details into cyberspace for anyone to intercept?

Peter Yesawich, president and CEO of Yesawich, Pepperdine & Brown in Orlando, Florida, *co-publishers with* Yankelovitch Partners of the Business Travel *Monitor*, says: "While 11 percent of business travelers tell us they consult the Internet for travel information, only four percent have made *reservations on* the Net. But 55 percent of travelers say they *would be interested* in using the Internet to to get information on travel or make a reservation. That's a huge gap.

"The Internet is like the Wild West right now. It's a very disorganized, chaotic kind *of process that* people have to go through when they don't quite know where to go. It takes as long as nine months for service providers to get listed in these search-engines because there's been such an avalanche of new products that people are trying to put up on the Net. Access is so congested to the point where people can't get on. I tried to log on AOL [America Online] at home and I give up after 45 minutes; the line always rings busy.

"We believe that travelers will see the Internet more as an informational than a transactional medium. You live in Paris, fly to Zurich or New York regularly on business, *you know the fares, the carriers*. It seems reasonable to think you might log on, check availability, book tickets electronically. That's what we define as simple low-risk transactions. *But say you live in London, you want to* come over to Orlando with your family, never been here before, you don't know the air fares, the hotels. That to us is a complex, high-risk transaction, where you wouldn't want to use the *Internet*."

A MAJOR WORRY Gerald McKewan, information development manager, travel and transporation, at IBM in London, says: "Security is a major worry that everybody has. When you send a message over the Internet, whether it's E-mail or going from one Web site to another, you have absolutely no control over where that message goes — anybody can intercept it. Lots of people out there playing with algorithms."

"The biggest obstacle, in my view, is lack of user-friendliness," Yesawich says. "People will just not have the patience and take the time: busy signals and so forth. It's easier to pick up the phone and call your travel agency. Right now the Internet takes a lot of energy. A fascinating thing for people to dabble with; but I don't think it will fundamentally alter the landscape—certainly in terms of how travel is transacted — until we have touch screens, simple procedures, and more discipline in cyberspace. Forty percent of people who bought a PC last year tell us they spend more time trying to figure out how to use it than using it. That's my point."

□

Debonair — a "no-frills" airline based at London's Luton Airport — *claims to be the first carrier to offer* in-flight movies, electronic games and gambling on short-haul flights within Europe. Debonair's fleet of BAe 146-200 "whisper jets" has been fitted with seat-back video touch screens. Passengers have a choice of 20 movies, video games, such as Super Mario and Batman *or electronic poker, blackjack and slot* machines. To get started you pull down the tray in front of you and swipe your credit card through it.

But what happens if an executive *loses the corporate shirt, as it were, by* playing five-stud poker with corporate plastic?

"With gambling, you set your own limit," Mancassola says. "But as we put back *more* than 96 percent of the takings, the chance of you losing a great deal of money is remote. You can win 10 times as much as you bet. The maximum you can lose is £200 [about $320]. If you lose it all, the screen goes blank. I've played three times for two hours at a time. I won £9, then lost £17, then lost £29. You win some, you lose some, the system is more designed to entertain."

But, of course, whatever the maximum stake, should you lose, there is *nothing to stop you swiping another* card to start again.

□

A simple way to compare frequent-flier plans is how much you have to travel on a particular route to earn free *flights*.

Carlson Wagonlit Travel has compared eight FFPs on the basis of how many round-trips in business-class are required to earn a free round-trip *economy ticket on selected routes from London*. Here are some examples:

London-Paris: British Airways, 2.81; British Midland, 3.0; Air UK, 7.14; Air France, 5.0; Eurostar, 5.0.

London-New York: British Airways, 4.86; Continental, 3.57; American Airlines, 5.78; United Airlines, 5.77; Virgin Atlantic, 2.89.

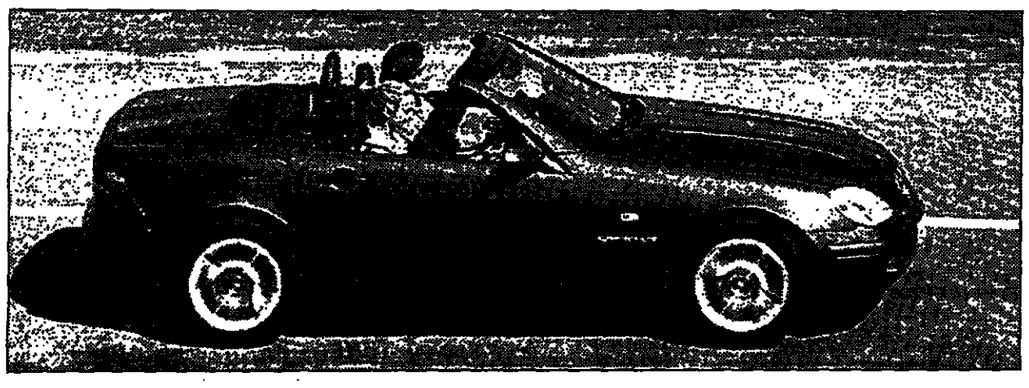
London-Tokyo: British Airways, 11.5; Virgin Atlantic, 2.41; *Japan* Airlines, 3.53.

GOOD TRAVEL DEALS

AIRLINES		
BRITISH AIRWAYS	Paris to New York	Economy round-trip for 1,995 francs ($355). Conditions apply. Until Dec. 31.
CITY BIRD	Brussels to United States/Mexico	One-way fares with start-up airline: New York, from 6,315 Belgian francs ($185); Miami/Orlando, 8,315 francs; Los Angeles/San Francisco, 9,815 francs; Mexico City, 10,980 francs. Tel: (32-2) 752-52-52.
CZECH AIRLINES	London to Prague	Midweek round-trip with one night at Forum Hotel (no Saturday night *restriction) for £279 ($453) saves 50 percent on normal fare.* Fregata Travel tel: (44-171) 451-7000.
EL AL	Paris to Tel Aviv	Round-trip for 1,990 francs ($354). Minimum stay: Saturday night; maximum stay: one month. For departure before April 2.
EMIRATES	Britain to Gulf/Asia/ Africa/Australia	First- and business-class passengers from London to Dubai, or onward *destinations in Africa, Asia or Australia can claim a free economy ticket* upon their return for the route they have traveled. This ticket is flexible and transferable and is valid for one year.
KLM	London to Sydney	Business-class round trip for £1,843 ($2,990), via Amsterdam, includes optional stopovers in Singapore in each direction and four domestic flights in Australia on Ansett Airlines. Same fare from some provincial cities in Britain. Travel must be completed by June 30. Trailfinders: tel: (44-171) 938-3444.
RYANAIR	London to Ireland or Scotland	"Friends Fly Free" promotion offers two-for-one on low-fare flexible fares on all Ryanair services which include London (Stansted)-Dublin/Cork/Knock/Glasgow. Tickets available until Feb. 28. Travel by March 12.
SABENA	London to Nairobi	Round trip from London or provincial airports for £323 ($525). Minimum stay seven days. Travel must be completed by March 30. Trailfinders: tel: (44-171) 938-3939.
UNITED AIRLINES	London to Delhi	Buy a full-fare round-trip ticket for upgrade to first class (plus bottle of Dom Perignon 1990 Champagne at check-in). For travel before March 31.
HOTELS		
GOLDEN TULIP HOTELS	Worldwide	Special rates at 15 participating hotels in eight countries. Examples: Tulip Inn, Amsterdam 160 guilders ($85) per room per night; Tulip Inn Orleans Palace, Paris 500 francs ($89); Chelsea Hotel, London, £110 ($178). Until March 27.
HOLIDAY INN LIDO	Beijing	Forty percent discount off published rates on all rooms. This includes American buffet breakfast; room upgrade; 20 percent discount on laundry; late check-out; for Priority Club members. Until March 15.
HYATT	Asia-Pacific	"Great Deal" promotion offers up to 45 percent off normal rates at 39 properties. Until Feb. 28.
MARCO POLO	Xiamen, China	50 percent off published prices at newly opened lakeside hotel, 15 minutes from airport. Discounted rates start at $95. Until Feb 28.
NEW YORK HILTON & TOWERS	New York	"Business Saver" rate of $199 a night includes free local calls and fax, and use of fitness center. Until March 31.

Although the IHT carefully checks these offers, please be forewarned that some travel agents may be unaware of them, or unable to book them.

THE CAR COLUMN



A New Roofline in Mercedes SKL

By Gavin Green

ONE of the many novel features of the new Mercedes SLK *is that you can't buy it.* The waiting list for delivery stretches well into 1999 in most countries. *Instead of trying* to butter up potential customers and come on all smooth and smarmy, the car salesmen *at* Mercedes are almost trying to deter customers — at least until the waiting list *starts to dwindle.*

The car's appeal is no surprise. Mercedes seems to style either supermodels-in-steel (latest SL, old S-class, old E-class wagons) or gawky if massively imposing *eyesores (latest* S-class, recent CL coupe).

But when Mercedes does well, it does very very well, and it hasn't done much better than the new SLK. It looks gorgeous. *Add the unmatched kudos of the* three-pointed star and a surprisingly low price, and it all adds up to aching desirability.

WHAT ELSE IS NEW? Apart *from the* fact that Mercedes dealers don't have any to sell, other novelties include a *supercharged* engine (only quirky British makers Aston Martin and Jaguar currently use a *similar type of* forced induction) and a metal roof that does more gymnastics when being either raised or lowered than Olga Korbut in her heyday. At the push of a button, that roof lifts off and bends and then folds into the trunk to give — presto — a slinky full convertible.

The advantages *in top-up mode over* a rag roofer are obvious. Better looks (canvas roofs always look like unsightly excrescences atop dainty sports cars) and greater security too.

There's just *one big drawback*. When folded in the trunk, it takes up about half the capacity. And, what's more, it folds on top of your luggage. To get out big bags, you need to put up the roof again.

Like everything *else in life*, convertible roof designs are compromises. And it seems to me that the magic metal roof of the SLK is, on balance, a boon in cool Northern European or Japanese climates, where you'll *mostly be in* top-up trim. But in southern France or Southern California — where rain is about as common as an intellectually uplifting episode of "Baywatch" — having to lift and fold the roof merely *to get to the* Louis Vuitton strikes me as being a bit of a hassle. Where are sales likely to be greatest? In Southern California, of course.

The great looks extend to the cabin. Although the *mock carbon-fiber dash* panels are a little suspect — at least it makes a change from gray plastic — the big round white instruments ringed by delicate chrome are as lovely as any watch face. *The switches too are big and* chunky and substantial and reinforce the impression of solidity, which is the hallmark of all Mercedes cars. The solidity extends to the driving experience: Here is one convertible that is as rattle-free and *rigid as a machined chunk of metal.*

Performance from the supercharged four-cylinder engine is strong, but the motor does not make the inspired music that engines from BMW and Porsche do. Sure, you can go fast, but the musical accompaniment sounds rather limp, a bit like trying to do hard exercise to "*The Birdie Song.*" *The handling* and ride are first rate.

WELL, O.K., it could sound better and maybe the fold-away roof *design is flawed if* you never need to put the roof up, but I'd still love an SLK and I'd buy one over the *equally new* BMW Z3 or Porsche Boxster convertibles. If only they'd let me.

• Mercedes-Benz *SLK*. About $45,000. Four-cylinder supercharged engine, 2295cc, 193 BHP at 5,500 rpm. *Five-speed automatic gearbox* (five-speed manual also available). Top speed: 227 kph (141 mph). Acceleration: 0-100 kph in 7.4 seconds. Average fuel consumption: 11.4 liters/100 km.

Next: Opel Vectra turbodiesel

Gavin Green is the editor in chief of Car magazine.

MOVIE GUIDE

Ben Glass

Brosnan and Hamilton in "Dante's Peak."

DANTE'S PEAK
Directed by Roger Donaldson. U.S.
As the camera pans down the mountain to the town where a Pioneer Days festival is taking place, you're counting the minutes before the eruption wipes it all away. Like night follows day, the blast is coming. "Dante's Peak" is predictable from start to finish, but the video-game style action and effects never let up long enough for you to remember how absurd it all is. It's a blast. Other than the quaint little town waiting to get buried, what *boilerplate* ingredients do we have? There's the Dashing Loner (Pierce Brosnan, surprisingly engaging), a volcanologist *carrying the torch for his* sweetie who was killed by a volcano; the lovely single mom (Linda Hamilton), also mayor of the little town; her *two smart-aleck kids; her* surly ex-mother-in-law, who won't evacuate; the adorable pooch (I wonder who gets "lost" in the eruption?); a *team of experts who don't* agree with the Dashing Loner that the mountain's about to blow; and a slew of vehicles unattended and ready whenever the Dashing Loner needs one. You get the picture. On to the important stuff: special effects. "Twister"? Forget it. "Independence Day"? Ha! This is a whole new league. You can't help thinking how much fun the special-effects guys had making models then blowing them up. *(Eric Brace, WP)*

BEVERLY HILLS NINJA
Directed by Dennis Dugan. U.S.
A Japanese martial arts clan is taught that a white child will one day appear to become the greatest ninja of them all. Sure enough, at the beginning of the lively, funny "Beverly Hills Ninja," a steamer trunk with a white male baby inside washes up on the beach near the clan's retreat. But the kid grows up to be hefty Chris Farley. Given the name Haru, he is raised by the clan's loving sansei (Soon-Tek Oh) alongside the master's own son (Robin Shou). But Haru is such a hopeless self-deluding klutz that even *his kindly* foster father is forced to admit in exasperation that, "He's fat, a fool and an embarrassment to ninja everywhere." While everyone else is off to a competition, Haru is alone at the retreat when a striking blonde (Nicollette Sheridan) shows up looking to hire a *ninja to tail her boyfriend* (Nathaniel Parker) to a meeting at a nearby harbor. She explains she's beginning to suspect that he's up to no good — *and not merely two*-timing her. A couple of fast plot developments sends Haru off to Beverly Hills to try to locate Sheridan, convinced she's a lady in distress, and right smack in the middle of Parker's international counterfeiting schemes. "Beverly Hills Ninja" isn't a thigh-slapper, but it's diverting and affectionate — a satisfying and sturdy vehicle for Farley that ought to please his *fans. (Kevin Thomas, LAT)*

Duo
Directed by Nobuhiro Suwa. Japan.
Yu lives with Kei. She works in a shop, he wants to be an actor. Theirs is a common dilemma. They cannot live with each other and they cannot live without each other. He thinks marriage will solve the problem. She is not so sure. One day she leaves. A banal story, happens every day — but that is the point. Truisms are true if you can burnish them again bright enough. This is what Nobuhiro Suwa does in his first film. Proceeding with intelligence and tact he has made a common situation extraordinary. His methods are radical. He asked his actors to read the script and *then forget about it. Throughout* rehearsals he molded their version of the forgotten script — all movement, all dialogue is their own. The cameraman *Masaki Tamura, is as much* part of the action as they are watching attentively, patiently, always in control, always generously relinquishing it. One is reminded of Cassavetes — gentler, kinder perhaps, but just as honest.
(Donald Richie, IHT)

ARTS GUIDE

BRITAIN

LIVERPOOL
Tate Gallery, tel: (151) 709-3223, *closed Mondays*. To April 13: "Paula Rego." Works by the Portuguese painter (born 1935) including a selection of sketches and preparatory *drawings*. Known for her large, narrative paintings in acrylic or pastel, Rego works between extremes to explore the areas of *ambivalence which* condition our lives.

LONDON
Royal Academy of Arts, tel: (171) 494-5615, open daily. To April 6: "Braque: The Late Works." *Throughout* his life, Braque repeatedly returned to the ideas and techniques of the early years of the century when he and Picasso created Cubism. The exhibition focuses on his last 20 years, with 50 paintings including some of the cycles of paintings such as "Interiors," "Billiard Tables," "Studios" and "Birds." The exhibition will travel to Houston in the spring.

FRANCE

LYON
Opera de Lyon, tel: 04-72-00-45-45. Handel's "Orlando." Directed by Robert Carsen, conducted by William Christie, with Patricia Bardon, Rosemary Joshua and Harry van der Kamp. Feb. 24, 26, 28.

PARIS
Grand Palais, tel: 01-44-13-17-17, *closed Mondays*. Continuing/ To May 26. "Angkor et Dix Siecles d'Art Khmer." 150 stone, bronze and wood statues from Cambodia, dating from the 6th century.
Opera Comique, tel: 01-42-44-45-46. Benjamin Britten's "Owen Wingrave." Directed by Pierre Barrat, conducted by Scott Sandmeier and sung by Philippe Le Chevalier/ Jacques-Francois *Loiseleur des* Longchamps and Christian Tegtuler. Feb. 21, 22, 24 and 25.

GERMANY

MUNICH
Haus der Kunst, tel: (89) 211-270, open daily. To April 13: "Richard Lindner: Paintings and Watercolors, 1948-1977." The exhibition introduces the bold, iconic figures of the German-born American artist: corset-clad women, child prodigies, archetypes from New York's underworld and caricatures.

JAPAN

KANAGAWA
Yokohama Museum of Art, tel: (45) 221-0300, closed Thursdays (except March. 20) and March 21. To March 30: "Absolute Landscape: Between Illusion and Reality." The show presenting landscapes in photography includes 97 works by 16 contemporary photographers, such as Lewis Baltz, Larry Clark, Noritoshi Hirakawa and Ma Xiao-Huare.

NETHERLANDS

AMSTERDAM
Rijksmuseum, tel: (20) 673-2121, open daily. To May 4: "Reflections on the Everyday: Dutch Genre Prints from the 16th and 17th century." Prints of everyday-life scenes by woodcut artists and engravers. Lucas van Leyden, Rembrandt and Adriaen van Ostade are represented.

SPAIN

MADRID
Teatro de La Zarzuela, tel: (1) 524-5400. Rossini's "Tancredi." Directed by Pier Luigi Pizzi, conducted by Alberto Zedda, with Martine Dupuy, Stanford Olsen and Bois Martinovic. Feb. 20, 22, 24, 26 and 28.

UNITED STATES

NEW YORK
Metropolitan Museum of Modern Art, tel: (212) 570-3791, closed Mondays. To May 4: "The Florene M. Schoenborn Bequest: Artists of the School of Paris." The bequests include three paintings by George Braque, six by Picasso, and single paintings by De Chirico, Dubuffet, Roger de La Fresnaye, Juan Gris, Fernand Leger, Joan Miro, Modigliani, and Georges Rouault. Two sculptors, Constantin Brancusi and Henri Matisse, *are also represented.*
New Museum, tel: (212) 219-1355, *closed Mondays and Tues*days. To April 13: "Remota: Airmail Paintings." Features paintings by Eugenio Dittborn. In the 1960s, the Chilean artist began sending his paintings through international airmail to exhibitions around the world to circumvent state censorship and boycotts imposed from *other countries to protest that re*gime.

WASHINGTON
Corcoran Gallery of Art, tel: (202) 639-1703, closed Tuesdays. To April 7: "Joyful Noise: The Art of Lari Pittman." Comprehensive survey of the Los Angeles-based artist (born 1952). Pittman explores individual identity and celebrates the idealism of American culture. His works are made of juxtapositions of apparently *unrelated images*, exclamatory text and colorful decorations.
National Museum of Women in the Arts, tel: (202) 783-5000, open daily. To May 4. "A History of Women Photographers." The exhibition presents 234 images made between 1850 and 1975 in Europe, the Americas and parts of Asia by *more* than 200 photographers, including the pictorialists Julia Margaret Cameron and Gertrude Kasebier; the documentarian *Dorothea Lange; the modernists* Imogen Cunningham, Tina Modotti, Lisette Model and Diane Arbus; the photojournalists Margaret Bourke-White and Mary Ellen Mark, and postmodernist Cindy Sherman.

CLOSING SOON

Feb. 15: "Retrospective Giorgio Morandi." **Musee Maillol, Paris.**
Feb. 16: "Tiepolo und die Zeichenkunst Venedigs (Tiepolo and the Venetian Sketches)." **Staatsgalerie, Stuttgart.**
*Feb. 18: "Edouard Baldus: Helio*gravures." **Art Gallery of Ontario, Toronto.**
Feb. 18: "Ferdinand Hodler." **Koge Skitsesamling, Koge.**
Feb. 16: "Works by Goya." **Duff House, Edinburgh.**
Feb. 17: "Arman et l'Art Africain." **Musee national des Arts d'Afrique et d'Oceanie, Paris.**

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INTERNATIONAL

Turks Sign $543 Million In Air Deals

Reuters

ANKARA — Turkey's plans to modernize its military were aided Thursday with the signing of helicopter deals worth $543 million with the French-German group Eurocopter and the U.S. concern Sikorsky.

"With the signing of these contracts with Eurocopter and Sikorsky, our armed forces will have taken a concrete step towards modernization for the future," Yalcin Burcak, Turkey's defense industry undersecretary, said at a ceremony before the deals were initialed.

The deals could fuel Western governments' concerns of an arms race in the eastern Mediterranean. The latest accords are part of Turkey's goal to accelerate annual military spending to $5 billion from around $2.5 billion to $3 billion as part of a $150 billion program to the year 2030.

Turkey's main rival, Greece, plans around $8.5 billion in military spending by the year 2000. The two countries are disputing territorial rights in the Aegean Sea and the divided island of Cyprus.

The Eurocopter deal to build 30 Cougar helicopters from 1999 to 2002 is part of an effort to foster Turkey's domestic defense industry and reach ambitious targets for development of the armed forces.

Turkey's state defense company, Turkish Aerospace Industries, and other Turkish concerns will account for 30 percent of the $430 million deal with Eurocopter, owned by French state-run Aerospatiale and Germany's Daimler-Benz Aerospace.

"In this way, technology will be acquired, savings will be made and work possibilities will be created for our industry," Defense Minister Turhan Tayhan said at the signing ceremony.

In a separate $113 million deal with Sikorsky Aircraft, a unit of United Technology, the Turkish Navy will buy four Sikorsky Sea Hawk helicopters over three years.

Mehmet Ali Kislali/The New York Times

Students leaving an Islamic school in Konya, Turkey. Many Turks fear the secular state is being undermined.

TURKEY: *A Resurgence of Religion Has Secularists on Edge*

Continued from Page 1

respond. They ordered tanks to roll through Sincan's streets, a clear warning that their patience is wearing thin.

[A Turkish security court on Thursday charged the mayor, Bakir Yildiz, with serious public order offenses for organizing the anti-Israeli protest, Reuters reported, quoting the Anatolian news agency.]

After hurried consultations between officials in Ankara and Tehran, Turkish officials said Mr. Bagheri would soon give up his post and return home.

Turkey is on edge these days. After eight months in power, the Muslim-oriented Welfare Party has begun to take steps that many Turks fear are aimed at undermining the secular state.

Prime Minister Necmettin Erbakan has backed away from his most militant campaign promises. He no longer talks of expelling U.S. troops or cutting ties to Israel. But he evidently now feels strong enough to press ahead with other plans that, taken together, strike secularist Turks as little short of terrifying:

- He is urging the construction of a large mosque in Istanbul — in Taksim Square, the cosmopolitan heart of modern Turkey — and another in the Cankaya quarter of Ankara, where the presidential palace, a commanding symbol of secularism, is now the most important building.
- He wants to repeal laws that forbid women who are civil servants and students at public universities to wear veils or head scarves.
- He has built a corps of uniformed Welfare Party bodyguards and has begun to rely on them rather than on government security agents.
- He is encouraging young people to study at religious academies, and says graduates of such academies should be eligible for appointment as military officers.
- He is quietly moving fundamentalists into positions in many government agencies.

These steps, coupled with outbreaks of fundamentalism like the one in Sincan, have led many Turks to fear that the secular identity of their country is being threatened. Many others — it is impossible to know how many — welcome the moves.

At the heart of secularist fears is the realization that their ideology has not yet taken full hold in the hearts of Turks. It has been just 74 years since Mustafa Kemal Ataturk proclaimed the doctrine, now known as Kemalism, that Turkey should be a Western-oriented republic in which religion plays no public role. That is a short time compared with the centuries during which Turks were subjects of a theocratic empire.

As a result, secularists fear that giving Turks full freedom of choice in determining the role of religion in public life might open the way to the Islamization of society.

"This country has a past, and it's a bit naive not to understand what that means," said Sermet Atacanli, a spokesman for the Foreign Ministry, which is a strong bastion of Turkish secularism.

"Christians had a period of brutal fanaticism, but you also had your Renaissance," he said. "You have had hundreds of years to distance yourself from religious extremism, so now when your president puts his hand on the Bible to take the oath of office you don't see anything wrong. But in Turkey, our Renaissance began with Ataturk. We need time to let these ideas take hold."

Debate over these issues has come to dominate public discourse in Turkey, raising sensitive issues that many people here have never before confronted.

"A veil is lifting in Turkey," said a foreign resident of Ankara who is a specialist in Islamic ideology. "As it lifts, we're seeing that this country is more religious than people think, and a million times more than secularists would like. The idea of a greater role for religion in public life has widespread support in Turkey. So as the country becomes more democratic, you see more Islamic influence."

Many Turks are asking whether their secular system can withstand Mr. Erbakan's rule. Some believe that he is at heart a conciliator who will never try to push the country too far toward fundamentalism.

Reuters

Bakir Yildiz, Islamist mayor of Sincan, in a police car after his arrest.

Others consider him a radical determined to chip away at the foundations of secularism until the system collapses.

Whatever the truth, Mr. Erbakan has shown himself to be a shrewd politician who knows when it is time to retreat. Apparently alarmed by the reaction to his recent moves, he issued a statement over the weekend pledging his support for "pluralist political democracy."

But even if his government now pulls back from some of its proposals, it has fundamentally and perhaps permanently reshaped the terms of political and social debate. Military leaders, who have staged three coups since 1960, are watching the government's every move.

ANTS: *Design by Termites*

Continued from Page 1

two changes of air an hour through the building, taking advantage of what Mr. Pearce calls "the coolth in the slab." For winter days, there are small heaters in the vents.

This is all possible only because Harare is 5,400 feet (1,645 meters) above sea level, has cloudless skies, little humidity and wide temperature swings.

"You couldn't do this in New York, with its fantastically hot summers and fantastically cold winters," Mr. Pearce said. But then his eyes lit up at the challenge. "Perhaps you could store the summer's heat in water somehow."

The engineering firm of Ove Arup & Partners, which worked with him on the design, monitors daily temperatures outside, under the floors and at knee, desk and ceiling level. "This isn't all dancing around in the moonlight," Mr. Pearce said. "It's real science."

Ove Arup's graphs show that the building has generally fluctuated between 73 and 77 degrees (about 23 to 25 centigrade), with the exception of the annual hot spell just before the summer rains in October and of three days in November, when a janitor switched off the fans at night. The atrium, which funnels the winds, can be much cooler.

"It's only about three weeks of the year we get complaints," Mr. Pearce said. "The rest of the year is fine." Turning on the fans later at night during hot spells seems to help.

As far as beauty goes, Mr. Pearce, disdaining glass skins as "igloos in the Sahara," calls his building "spiky."

The signature "tiaras" over the entrances are meant to resemble the porcupine-quill headdresses of the local Shona tribe, but to non-Shonas they look like the innards of supermarket bread-slicing machines. Elevators were designed to look like mine-shaft cages; their controls resemble ship binnacles. The fan covers, chevrons in granite, are echoes of Great Zimbabwe, the ruins that give the country its name.

The deluge of designs "is one of my problems — I'm a bit Gothic," Mr. Pearce admitted.

Standing on a roof catwalk, peering down inside at people as small as termites below, he said he hoped the plants would grow wild and pigeons and bats would move into the atrium, tempering the whole "natural machine" metaphor with a bit more nature — like that termite fungus. "But," he confided, "the client hates it when I talk like that."

Agence France-Presse

STANDING GUARD — Former supporters of the Islamic Salvation Army wielding axes and knives Thursday to protect Medea, Algeria, from an attack by the fundamentalist Armed Islamic Group, which has killed more than 30 people in the region in retribution for their support of the rival organization.

EMBASSY: *Chinese Role in Fund-Raising?*

Continued from Page 1

recommending that the matter be turned over to an independent counsel, according to one well-placed source.

Ms. Reno has declined requests for an independent counsel, saying that the Justice Department task force can conduct a full and independent inquiry and that there was no specific and credible allegation of wrongdoing against any of the senior executive branch officials covered by the Independent Counsel Act. Such a finding would have to be made by the Justice Department task force before Ms. Reno could recommend appointment of an independent counsel.

[Although she declined to comment directly on the allegations, the deputy attorney general, Jamie Gorelick, said Thursday that the task force had not found any evidence that would require appointing an independent counsel to investigate the case, The Associated Press reported from Washington.

[The White House press secretary, Michael McCurry, said that President Bill Clinton was puzzled by the allegations and had asked White House lawyers to contact Justice Department attorneys about the allegations. "The people we have spoken to here have no knowledge of these allegations," he said.]

Some investigators suspected a Chinese connection to the fund-raising scandal because several contributors to and fund-raisers for the Democratic National Committee had ties to Beijing.

Last February, Charles Yah Lin Trie, a fund-raiser for the committee, used his influence with officials to bring Wang Jun, head of a weapons trading company owned by the Chinese military, to a White House coffee with Mr. Clinton.

Mr. Clinton has since said he should not have met with Mr. Wang, and $640,000 in checks that Mr. Trie delivered to the president's legal defense fund has been returned because of questions about the source of the funds.

Another reason investigators suspected a Chinese connection was the role of John Huang, a former Commerce Department official and Democratic National Committee fund-raiser at the center of the controversy.

A U.S. citizen who was born in China and raised in Taiwan, Mr. Huang has said he has no friends or relatives in China. But Mr. Huang is a former executive of the Lippo Group, an Indonesian conglomerate owned by the Riady family, who are ethnic Chinese. Lippo has extensive interests in China.

In 1993, Lippo sold 50 percent of its holdings in one of its banks, Hong Kong Chinese Bank — where Mr. Huang was a vice president in the mid-1980s — to a corporation run by the Chinese government.

Last month, Representative Gerald Solomon, Republican of New York and chairman of the House Rules Committee, asked the FBI director, Louis Freeh, to investigate Mr. Huang and the Lippo Group with an eye to "potential economic espionage against the United States by a foreign corporation having direct ties to the People's Republic of China."

Mr. Solomon said then that he was concerned about Mr. Huang's access to intelligence information and about dozens of calls Mr. Huang made from the Commerce Department to the Lippo Group.

Mr. Huang was employed at Lippo for nine years before he joined the Commerce Department as deputy assistant secretary for international economic policy. His severance package from Lippo totaled $788,750.

He was given a top-secret clearance at the Commerce Department after what Republicans have called a lax background investigation.

In preparation for his job at the Commerce Department, Mr. Huang received an interim security clearance while he was still working at Lippo. But Commerce Department officials said it did not entitle him to see any classified information and they insist that he saw none.

Because of a bureaucratic error, the officials said, Mr. Huang retained his top-secret clearance after he left the Commerce Department to become a deputy chairman of the Democratic National Committee in December 1995. During his 18 months at the Commerce Department, Mr. Huang was scheduled to attend 37 intelligence briefings, including briefings on China, and saw more than two dozen intelligence reports.

From his Commerce Department office, Mr. Huang made more than 70 phone calls to a Lippo-controlled bank in Los Angeles. The calls are being scrutinized by the Justice Department task force.

BEIJING: *A New Blow for North Korea*

Continued from Page 1

to break into the building Wednesday night.

Caught between its longtime Communist ally and its improving and beneficial relations with wealthy South Korea, China has appealed for calm. It has stationed dozens of soldiers outside the embassy, and a Foreign Ministry spokesman called Thursday for "cool and proper" handling of the case by all involved.

South Korea sent a high-level team of diplomats to Beijing to ask the Chinese to allow Mr. Hwang to be taken to Seoul. Foreign ministers Yoo Chong Ha of South Korea and Qian Qichen of China are preparing to discuss the matter at a meeting of Asian and European leaders in Singapore.

Beyond all the cloak-and-dagger intrigue, analysts say Mr. Hwang's apparent defection has dealt a severe blow to the pride of North Korea — and a wounded and defensive North Korea is even more dangerous than usual.

"I think this is going to be extremely difficult for them to handle psychologically, coming on top of everything else," said Donald Gregg, a former U.S. ambassador to South Korea and to China.

North Korea is already battling severe food shortages that humanitarian aid agencies say are close to famine levels. Its economy is crumbling so much that it is raising foreign capital by agreeing to accept shiploads of nuclear waste from Taiwan.

Now the apparent defection of such a respected elder statesman, a man who taught Marxism-Leninism to Kim Jong Il when the present leader was a college student, has to be extremely painful and divisive among North Korea's ruling cabal, analysts said.

"He's a dignified man with a certain persona and appeal," said one U.S. official who has met Mr. Hwang. "His personal manner was not that of a party zealot, but of a dignified and serene and warm man."

Despite North Korea's communism, the official added, it is still a Confucian society that prizes education, so a scholar such as Mr. Hwang commanded tremendous respect among his peers.

Although average North Koreans will probably never be told of Mr. Hwang's defection, the betrayal of such a man will have a jarring impact on his colleagues in the ruling elite, the official said.

"Some people will be angry," he said, "some will be dismayed and some will lose heart and confidence themselves in the North Korean system."

The defection could further aggravate the split between moderate North Korean leaders who counsel more engagement with the international community and more hawkish leaders who advocate self-reliance and a strong military, he added.

"They're boxed in more and more, and that has to cause anger and frustration," the U.S. official said. "I'd imagine there are some very angry meetings about what to do going on today in Pyongyang."

Mr. Gregg, speaking from New York, said the United States and South Korea must be careful not to gloat about Mr. Hwang's defection.

"I think it's time for compassion, because this is a very touchy time," he said. "I think they are beginning to disintegrate up there — parts are flying off the machine. I'm not saying this means they're going to fall apart immediately, but it's another significant layer of the onion that has been peeled off."

KOREAN: *China in the Middle*

Continued from Page 1

workers and the farmers when the workers and farmers are starving?" he is said to have written.

Foreign Minister Yoo Chong Ha of South Korea was scheduled to meet his Chinese counterpart, Qian Qichen, in Singapore on Friday to lobby for Mr. Hwang's safe passage.

Seoul also asked for beefed-up security around its mission, saying that as many as 10 North Koreans tried forcing their way in Wednesday night, presumably to try to get Mr. Hwang.

North Korean diplomats challenged the Chinese police again late Thursday. After watching the building for hours without making a move, witnesses said, about a dozen North Koreans walked up to police lines but were turned away when they tried to go past.

Chinese police immediately widened the security zone, ordering reporters and the North Koreans in embassy cars to park a block away.

North Korea insists that Mr. Hwang must have been kidnapped by South Koreans, calling his defection "inconceivable," but Seoul has dismissed the accusation. *(Reuters, AP)*

PHONES: *Calling and Driving a Health Hazard, Study Finds*

Continued from Page 1

ng while talking on a cellular phone is dangerous.

Bradley Efron, a professor of statistics at Stanford University, said he thought at first that deciding whether cellular phones are a hazard to drivers "looked like an impossible thing to prove, even it was true." The problems were several: any study would have to determine whether phones were being used at or near the time of car accidents, and whether the confluence of phone use and car crashes was more than coincidence.

Mr. Efron said he changed his mind when he read the paper: "It was pretty ingenious. When I saw the evidence I had to admit it was pretty darn good."

Dr. Redelmeier hit on the idea of studying people who he knew had car phones and had had car accidents. Then he looked at records of phone usage to see if the connection of conversations and crashes was something other than random. For him, the study also addressed a nagging personal concern.

"One day, at the end of the day, I was returning phone calls and I reached a patient on her cellular phone," while she drove her car, he said. In the middle of the conversation, he said, the woman told him she had just been hit from the rear and would have to call him back. "It was only a fender bender, but boy did it worry me," Dr. Redelmeier said. "I kept thinking of the old cliché, 'Physician, do no harm.'"

"A couple of days later it clicked in my mind that people are not fully aware of the limitations of their attention," he said.

Talking on a telephone, he said, is not the same as talking to a fellow passenger, who might know to stop talking when a driver is about to change lanes or turn left. And, he said, "a fellow passenger is unlikely to be a major client or your immediate supervisor."

The incident with his patient's accident led Dr. Redelmeier to organize his study. With the results in hand, he said that the only thing that had saved nations from a plague of cellular phone-initiated accidents was that the calls are still so expensive.

"As long as the prices stay high," he said, calls will remain "brief and infrequent." That, he said, "explains why the rapid growth of the technology was not associated with a rapid increase in collision rates."

PILL: *Accord Paves Way for Sale in U.S.*

Continued from Page 1

beling. Final approval by the food and drug agency is expected to be routine.

Anti-abortion groups in the United States oppose the sale of mifepristone, which is already in use in France, Sweden, England, Scotland and China.

The recommended regimen for use in the United States would be the same as it is in those countries, involving three visits to a clinic or physician's office over a period of about 15 days.

On the first visit, the woman would receive a physical examination, checking her overall condition and ensuring she was within the first 49 days of pregnancy. She would also receive counseling on side effects, which can include bleeding, cramping, nausea and vomiting. If she wished to proceed, she would be given mifepristone tablets and sent home.

Two days later, she would return to the physician's office and take another medication, misoprostol, to initiate contractions. On this visit, she would be asked to remain at the office for four hours to watch for complications and confirm that the fetus had been expelled.

Twelve to 14 days later, the patient would return to be examined for side effects and to ensure that her pregnancy had been terminated. The pills would be available only to health-care professionals, not to women to administer on their own.

The Population Council became responsible for U.S. manufacture and distribution when no major U.S. drug company was willing to take on the politically sensitive pill. The council was granted a U.S. patent by the French pharmaceutical firm Roussel Uclaf.

U.S. to Close More Bases, But Forces Remain Same

Agence France-Presse

WASHINGTON — The U.S. military will close a dozen installations in Europe by the end of 1998, returning the sites to their host countries, Germany and Turkey, the Pentagon announced Thursday.

"This will not affect force levels in Europe," a Pentagon spokesman said. More than 800 U.S. defense facilities in Europe have been closed as part of the reduction of American forces since the end of the Cold War.

All but one of the facilities, which include barracks, housing complexes, warehouses, training areas and storage areas, are in Germany.

International Herald Tribune
BUSINESS/FINANCE
FRIDAY, FEBRUARY 14, 1997

Massive Charges Doom Philips to Quarterly and Yearly Losses

Compiled by Our Staff From Dispatches

EINDHOVEN, Netherlands — Increased costs, sluggish sales and huge one-time charges caused Philips Electronics NV to post a loss for the fourth quarter and all of 1996, the company said Thursday.

Calling 1996 an "extreme disappointment," Philips did not provide a forecast for 1997 but said that its businesses should continue to grow.

Philips' shares rose as investors apparently concluded that the worst was over, at least for the time being.

In 1996, Philips took 2.57 billion guilders ($1.36 billion) in one-time charges, including an unexpected charge of 725 million guilders to cover its decision to sever its responsibility for the unprofitable German electronics company, Grundig AG.

Another 1.8 billion guilders in charges to cover restructuring at different divisions had been previously announced.

Philips' full-year net loss totaled 590 million guilders, compared with a net profit of 2.51 billion guilders in 1995. For the fourth quarter, the company reported a net loss of 949 million guilders, compared with a 652 million-guilder profit a year earlier.

Philips' chief executive, Cor Boonstra, said there would be no further news of reorganization until the end of 1997 or the beginning of 1998, but that after that time he planned to organize the company into 100 business units.

"The process of building these business units will be finalized at the end of this year," Mr. Boonstra said. "It does not lead automatically to divestment. Clarity is needed."

Despite the company's losses, Mr. Boonstra said the dividend would remain unchanged at 1.60 guilders, because "we're confident we'll produce a result in 1997 in line with expectations."

Sales in 1996 rose 7 percent, but when adjusted for consolidation changes and currency effects, the increase was only 6 percent, compared with a rise of 11 percent in 1995.

Philips shares rose 2.90 guilders on Thursday to close at a 19-month high of 81 guilders.

Calling the losses related to Grundig "the biggest disappointment" of the year, Dudley Eustace, Philips' chief financial officer, said the company had reserved 600 million guilders to buy itself out of an agreement to bear Grundig's losses and pay its founding family trust a yearly dividend, regardless of results.

Mr. Eustace said he "sincerely believed" the 600 million guilders would cover the cost of whatever agreement came from talks with the Grundig family.

Figures presented by the German company in December 1996 turned out to deviate "substantially" from the true state of affairs, Mr. Eustace added.

Mr. Boonstra said he hoped to return to "normal" reorganizing charges of about 200 million to 300 million guilders annually next year.

Some analysts said the 1996 writeoffs were taken as a sign of confidence in Mr. Boonstra. Henk Slotboom, head of research at the brokerage Amstgeld NV, said: "He is proving his dedication to shareholders by saying, 'shareholders first.'"

Not everyone agreed. "We thought it was a sign of weakness that he remained unclear about future growth strategy," said Marco van den Broek, a fund manager at F. Van Lanschot Bankiers NV. "He is keeping us all on hold for a bit longer."

Mr. Boonstra, who took over as chairman last October, has vowed to make Philips competitive at any cost. He has dealt with Grundig, closed the company's SuperClub video-store chain, and put Philips' television interests up for sale.

On Thursday, he said Philips had signed a letter of intent to sell its smart-card business, Philips Smart Card & Systems, to De La Rue PLC of Britain. The division, based in France, posted revenue in 1996 of around 100 million guilders.

Also on Thursday, $3.1 billion in Philips senior debt was placed on review by Moody's Investors Service Inc. All the debt being reviewed carries Moody's top rating. *(Bloomberg, AP)*

For Americans' Pilots, Big Risk in Stable Time

Strong Emotions Point to Saturday Strike

By Adam Bryant
New York Times Service

With high profits in their industry and stability in the labor force, this should be a comforting time for airline workers who have endured the wrenching effects of airline deregulation for years.

But rather than putting the past behind them, pilots at American Airlines are preparing for a strike that would start Saturday morning.

At first, their dispute seems to be over issues that might be resolved fairly easily, such as wage rises that roughly track inflation.

But the current talks are charged with strong emotions born of long-simmering dispute over issues of respect, trust and the role of pilots within the company. The dispute also has broader resonance throughout corporate America, bringing to a crucial point such issues as flexible pay and the degree to which employees should share in the strong profits that many companies are enjoying.

A spokesman for the pilots said Wednesday that a strike was "more likely than not."

And that was not bluster, said Joseph Blasi, a professor of management-labor relations at Rutgers University who has studied many airline labor disputes.

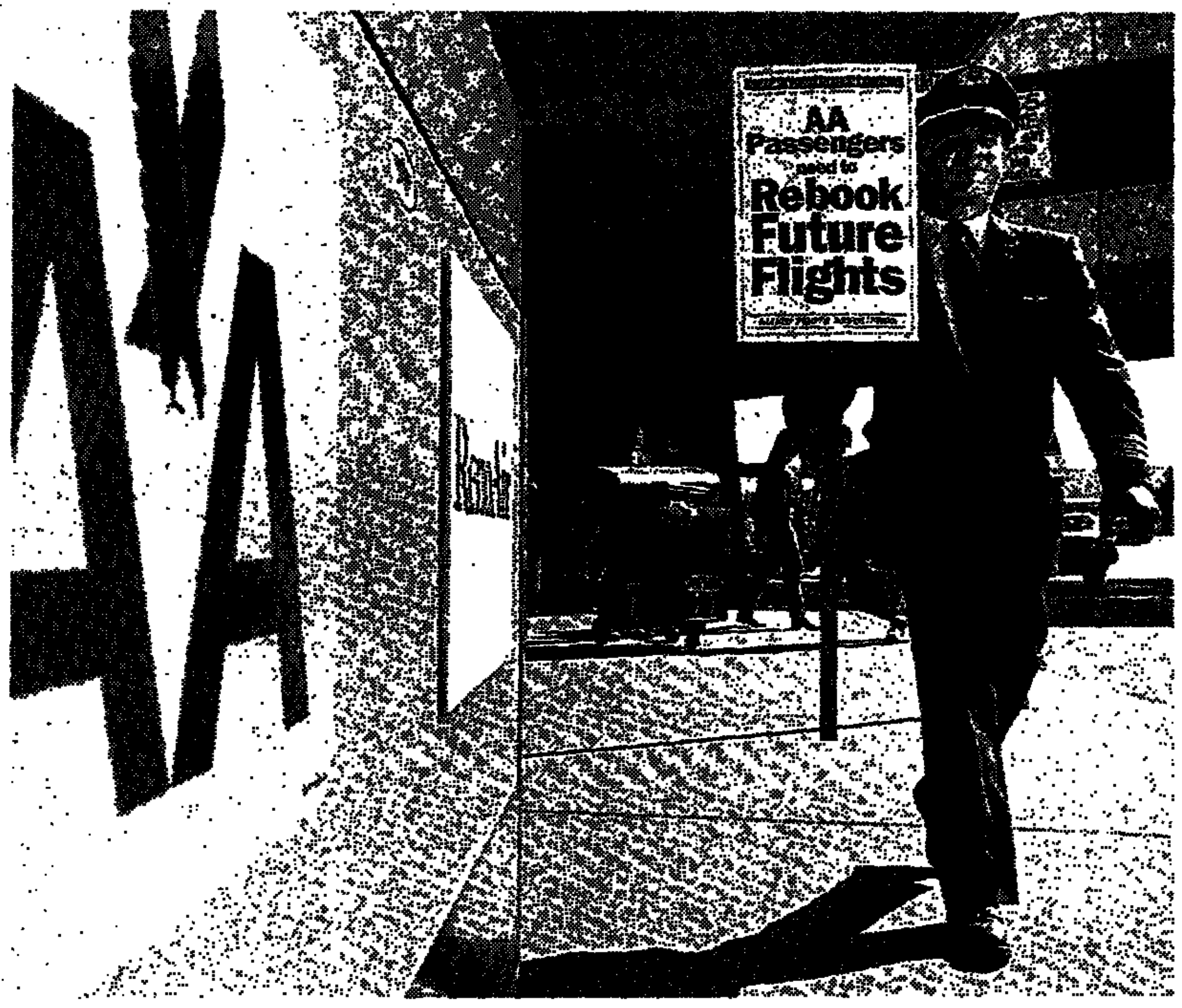
"I think a strike is 99 percent inevitable," Mr. Blasi said. "The reason is that these parties hate each other. This has become a test of wills more than a good-faith bargaining effort."

If a strike occurs, Mr. Blasi said, it will probably be more difficult to resolve than the most recent labor dispute at American, in which flight attendants went on strike just before Thanksgiving in 1993. In that case, the airline continued to operate a limited schedule. In this case, however, because pilots cannot be replaced, American has said it will simply shut down the airline if they strike.

The flight attendants said they would strike only for 11 days; the pilots have put no such limit on any possible job action. The pilots and the company have also said publicly that they cannot budge from their positions, which are now far apart.

In some ways, the complexion of the dispute is peculiar to the airline industry. As a group, pilots have long seen themselves as the equal of top managers, and believe that missteps in strategy have led in part to deep losses. In 1993, for example, the pilots commissioned a report that suggested a different way to use

See PILOTS, Page 17



J. David Ake/Reuters

An American Airlines first officer, Joe Hilburn, picketing in front of the airline's terminal in San Francisco.

Pearson Has £100 Million Book Error

Penguin Unit Granted 'Improper' Discounts

By Youssef M. Ibrahim
New York Times Service

LONDON — Pearson PLC, the media company that publishes the Financial Times and owns half of The Economist magazine, said Thursday it could be forced to take a write-off of £100 million ($163.4 million) because of "improper accounting" at its Penguin USA book publishing unit.

The news sent the company's shares sliding as much as 8 percent initially, but the stock recovered to close at 750 pence, down 14 pence, or 2 percent.

Pearson said that under its previous management, the U.S. subsidiary had given unauthorized discounts to some retailers beginning in 1991. Analysts said one consequence might be demands from irate customers who failed to benefit from such discounts.

"I think the worrying aspect of it was that retailers who did not get those discounts back then may claim compensation," said Louise Barton, a media analyst at Henderson Crosthwaite, a London-based merchant bank. "It really reflects the loose nature of the old management," Ms. Barton said.

In a widely publicized move, Pearson appointed an American woman, Marjorie Scardino, 49, as its new chief executive beginning this year. The decision was seen as a generational change with the goal of shaking up a stodgy, but potentially rich company, which is seen by some as too slow-moving and weighted down with many non-media businesses. The change was also revolutionary because of Ms. Scardino's gender and American origin.

The discovery of irregular accounting practices was made by Michael Lynton, Penguin's new chief executive, who took over on Jan. 1, succeeding Peter Mayer.

"Those found to be responsible have been and will be appropriately dealt with," Pearson said.

Some analysts said an ongoing review by the new management may unearth more problems. "You have to hope it is not repeated elsewhere," said Caroline Slater, an analyst with London's Kleinwort Benson investment firm.

[Paul Richards, an analyst at Panmure Gordon, said the revelation of the problems reignited speculation that Pearson was a vulnerable takeover target, AFX News reported from London. That speculation led to the Thursday recovery in the stock price, he said.]

Pearson said the charge announced Thursday would be taken against last year's pretax profits, which are expected to be in the range £254 million.

The Dollar's Rise? It's Fundamental

By Jonathan Fuerbringer
New York Times Service

NEW YORK — Treasury Secretary Robert Rubin of the United States and his allies in the Group of Seven industrial nations are trying to rein in the dollar, which has jumped 14 percent against the German mark and 16 percent against the Japanese yen in the last year.

But in the statement they issued in Berlin on Saturday backing this goal, they included one sentence that may have unintentionally given currency traders a reason to push the dollar even higher — particularly against the German mark and other European currencies.

The key words are these: "We reaffirmed our views that exchange rates should reflect economic fundamentals."

Traders are looking at those 11 words, along with new indications that basic economic fundamentals will continue to support the dollar — higher interest rates and attractive economic growth.

"This highlights the thought that the dollar should be able to trade higher" against European currencies, said Audrey McNiff, vice president in foreign exchange sales at Goldman, Sachs & Co.

"The one thing that we took away from that statement was that the central banks are serious and that they think that fundamentals should drive the dollar," Ms. McNiff said. "You made a lot of money last year by listening to the central banks."

She said that recent gains in unemployment in Germany and Switzerland, and pessimistic reports from the business communities in both countries were being taken as signs "of a worsening of the economic situation in Europe." That means interest rates are more likely to fall or remain stable and growth could be sluggish, all factors that favor the dollar.

What this means for Mr. Rubin and the Clinton administration is that they, together with their allies, could be forced sooner than they might like to follow their words with actions.

That effort could begin with clearer statements from Mr. Rubin and other finance ministers and follow with intervention by the United States and other countries that would sell dollars to lower the value of the currency.

But those actions are likely to have no more than a temporary effect, analysts say, if the economic fundamentals that move currencies — interest rates, growth and capital flows — do not cease to favor the dollar, as they do now.

See DOLLAR, Page 14

Stocks Roar Past 7,000 Level; Street Predicts Further Gains

By Mitchell Martin
International Herald Tribune

NEW YORK — The Dow Jones industrial average crossed the 7,000-point mark Thursday for the first time, and despite a rally that has seen the blue-chip indicator rise more than 8 percent so far this year, the feeling on Wall Street seemed to be that further gains are in the cards.

The rise in stocks has been fueled by American retirement savings, foreign investors attracted by a strong dollar, rising corporate profits and a benign inflation outlook, analysts said.

"The U.S. stock market continues to attract funds from all over the world," said Alan Ackerman, executive vice president of Fahnestock & Co. "The market appears to be fueled by the best of all worlds: moderate economic growth, muted inflation and muted interest rates, together with an earnings stream that has been favorable for most stocks in the big-cap universe."

Indeed, while the Dow closed at a record 7,022.44 points Thursday, up 60.81 for the day, the Nasdaq composite index, which includes many smaller stocks, remained below its high mark of 1,388, set Jan. 22. It finished at 1,370.70, up 11.74 points, although the broader Standard & Poor's 500-stock index closed at a record 811.83, up 9.06. The S&P is up about 9 percent this year, while the Nasdaq gauge has risen only 6 percent.

The lagging performance of the smaller stocks offers opportunities to investors who think the market has more room to rise but who fear that the big-company shares have gone up too far too fast.

"It's the momentum stocks, high-liquidity issues that people are buying," said James Fraser, president of

See MARKET, Page 14

Telecom Talks Edge Closer to Global Accord

Compiled by Our Staff From Dispatches

GENEVA — South Korea and other countries gave up ground on opening their telecommunications markets, moving the industry closer to a global agreement to pry open the $600-billion world telecom market.

Those developments Thursday signal the two-year-old talks sponsored by the World Trade Organization between more than 60 countries that account for the lion's share of the market could reach a broad accord ahead of a Saturday deadline. First, however, negotiators must resolve a major sticking point: Canada insists that Canadians own at least 64 percent of telecom companies in the country.

Still, U.S. industry officials said they were optimistic about an accord. "We are extremely encouraged by the increasing number of countries that are participating and the growing number of good offers," said Beverly Andrews, a negotiator for Comsat Corp. and head of the U.S. Council for International Business, an industry group.

An agreement would mean slashing costs for consumers, opening new avenues for corporate profits and making advanced telecom services available over the next two decades to billions of people around the world.

Akemi Yamaguchi, Japan's vice minister of international affairs, said that Japan would present a more attractive offer to open its telecom market only if the United States agrees to boost foreign investment caps in its radio sector. The United States says foreigners may only buy up to 20 percent of domestic radio operators. *(Bloomberg, AFP)*

CURRENCY & INTEREST RATES

Cross Rates

Feb. 13

	$	£	D.M.	F.F.	Lira	D.fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.8935	3.072	1.1223	0.3424	0.1140*	—	5.4095*	1.3095	1.5203*	1.4005	1.325*
Brussels	34.71	56.8525	20.636	6.1125	2.0982*	18.2855	—	24.085	28.798	25.64	24.405*
Frankfurt	1.6926	2.747	—	0.2962	0.1007*	0.891	4.849*	1.163	1.3557*	1.2433	1.1806*
London (a)	1.6221	—	2.7367	9.2402	2,691.93	3.0639	56.4814	2.3565	200.211	2.194	221.79
Madrid	143.489	232.428	84.699	25.097	8.618*	75.471	4.1048	98.533	114.722*	105.251	—
Milan	1,653.90	2,701.40	982.55	291.45	—	874.80	47.687	1,143.86	13.321	1,219.20	11.589
New York (b)	—	1.6238a	1.6943	5.686	1,659.00	1.889	34.74	1.4548	124.405	1.35	140.545
Paris	5.6775	9.269	3.3749	—	0.3434*	3.0072	0.1636	3.9241	4.5731*	4.1928	3.9865*
Tokyo	124.40	201.85	73.46	21.82	0.753	65.64	3.5786	85.54	—	91.75	0.8714
Toronto	1.3514	2.1946	0.8029	0.2377	0.0816*	0.7151	0.2087*	0.9280	1.0867*	—	0.8947*
Zurich	1.4515	2.3554	0.8601	0.2551	0.0875*	0.7671	4.1704*	—	1.1668*	1.0729	1.0164*
1 ECU	1.1686	0.7121	1.9538	6.6004	1,892.19	2.1949	40.355	1.6872	144.332	1.5739	165.453
1 SDR	1.3808	0.8461	2.3233	7.8093	2,282.94	2.6089	47.9679	1.9978	171.63	1.8732	196.746

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York at 4 p.m. and Toronto rates at 3p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	262.42	Mex. peso	7.778	S. Afr. rand	4.412
Australian $	1.297	Hong Kong $	7.7484	N. Zealand $	1.4393	S. Kor. won	874.40
Austrian sch.	11.832	Hung. forint	173.22	Norw. krone	6.6517	Swed. krona	7.3624
Brazil real	1.0471	Indian rupee	35.95	Phil. peso	26.22	Taiwan $	27.54
Chinese yuan	8.32	Indo. rupiah	2376.95	Polish zloty	3.02	Thai baht	25.99
Czech koruna	27.95	Irish £	0.6306	Port. escudo	169.06	Turkish lira	119195.
Danish krone	6.409	Israeli shek.	3.3406	Russ ruble	5640.0	UAE dirham	3.6705
Egypt. pound	3.3985	Kuw dinar	0.2998	Saudi riyal	3.75	Venez. boliv.	474.25
Fin. markka	4.9687	Malay. ring.	2.4833	Sing. $	1.4183		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6303	1.6294	1.6284	Japanese yen	123.71	123.17	122.65
Canadian dollar	1.3510	1.3483	1.3456	Swiss franc	1.4399	1.4352	1.4303
Deutsche mark	1.6785	1.6751	1.6718				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Feb. 13

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5¼ - 5⅜	3⅛ - 3¼	1½ - 1⅝	6⅛ - 6¼	3⅛ - 3¼	⅜ - ½	4 - 4⅛
3-month	5⅜ - 5½	3⅛ - 3¼	1½ - 1⅝	6⅛ - 6¼	3⅛ - 3¼	⅜ - ½	4 - 4⅛
6-month	5⅜ - 5½	3 - 3⅛	1½ - 1⅝	6⅛ - 6¼	3⅛ - 3¼	½ - ⅝	3⅞ - 4
1-year	5½ - 5⅝	3⅛ - 3¼	1⅝ - 1¾	6¼ - 6⅜	3¼ - 3⅜	½ - ⅝	3⅞ - 4

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds	5⁵⁄₁₆	5⅛
90-day CDs dealers	5.37	5.37
180-day CP dealers	5.28	5.28
3 month Treasury bill	5.12	4.72
1-year Treasury bill	5.46	5.50
2-year Treasury bill	5.82	5.86
5-year Treasury note	6.13	6.18
7-year Treasury note	6.22	6.28
10-year Treasury note	6.34	6.42
30-year Treasury bond	6.65	6.72
Merrill Lynch 30-day RA	4.89	4.89
Japan		
Discount rate	0.50	0.50
Call money	0.43	0.43
1-month interbank	0.56	0.56
3-month interbank	0.56	0.56
6-month interbank	0.59	0.59
10-year Govt bond	2.46	2.48
Germany		
Lombard rate	4.50	4.50
Call money	3.13	3.15
1-month interbank	3.18	3.15
3-month interbank	3.15	3.15
6-month interbank	3.15	3.15
10-year Bond	5.56	5.57

Britain		
Bank base rate	6.00	6.00
Call money	5½	6½
1-month interbank	6⅛	6⅛
3-month interbank	6³⁄₁₆	6³⁄₁₆
6-month interbank	6¼	6¼
10-year Gilt	7.12	7.10
France		
Intervention rate	3.18	3.10
Call money	3⁵⁄₁₆	3⁵⁄₁₆
1-month interbank	3¼	3¼
3-month interbank	3¼	3¼
6-month interbank	3¼	3¼
10-year OAT	5.43	5.45

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	342.75	342.10	+4.40
London	343.00	342.65	+4.95
New York	344.90	343.00	−2.40

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (April.)
Source: Reuters.

WALL STREET WATCH

Good and Bad News for America Online

By Steve Lohr
New York Times Service

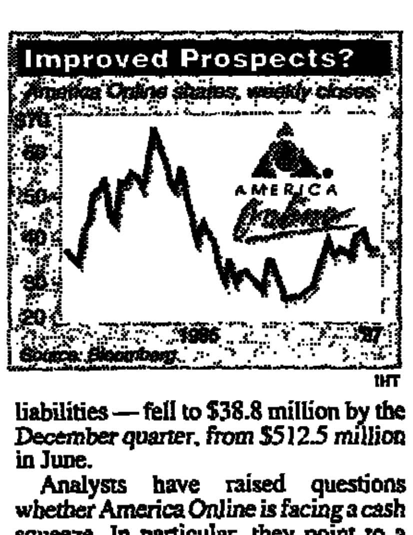
NEW YORK — America Online Inc. has long split Wall Street into two sharply divided camps. To its supporters, the online service is a pioneer in a new medium, well on its way to building the first mass-market brand name in cyberspace. To its detractors, America Online is simply an aggressive marketer with mounting losses.

America Online's executives have replied to critics by asserting that near-term losses were not losses at all but astute investments — the necessary cost of attracting a big audience online. Build the audience, they assured investors, and the profits will follow before long.

But since the company reported its quarterly results last Thursday, analysts have raised new questions about how costly America Online's business strategy is proving to be, whether the company has the cash to execute its plans, and how long it will take for the company to show steady profits.

In the December quarter, America Online reported strong growth in revenue to $409 million, but also a sizable loss of $155 million, both essentially in line with Wall Street expectations.

America Online has absorbed big losses in the last six months. As a result, the shareholders' equity — assets minus liabilities — fell to $38.8 million by the December quarter, from $512.5 million in June.



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Analysts have raised questions whether America Online is facing a cash squeeze. In particular, they point to a sharp jump in its current liabilities. Those liabilities, falling due within a year, include the costs of laying off workers, shutting offices, scrapping outdated marketing materials, and credits and refunds to customers, as part of a recent settlement with states representing subscribers who have been unable to connect to America Online's service.

Today, the company's current liabilities dwarf its cash, accounts receivable and other current assets. "The key issue for America Online is cash flow," said David Simons, managing director of Digital Video Investments, a New York research adviser to institutional investors. "America Online is running out of cash."

By contrast, the ad and electronic commerce field is expected to yield higher profit margins.

These trends have apparently caused even some of America Online's Wall Street loyalists to have qualms. Last Friday, Mary Meeker of Morgan Stanley & Co. cut her rating on America Online from "strong buy" to "outperform."

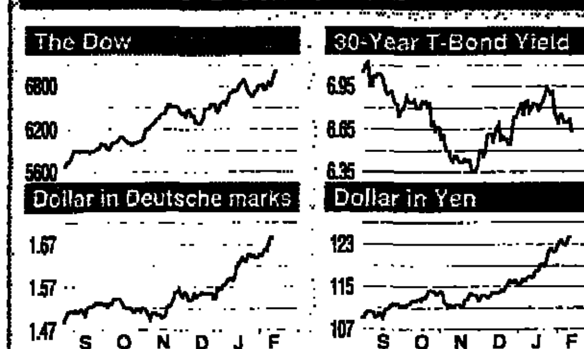
In a research note to clients, Ms. Meeker wrote, "AOL is a company with a split personality — it always does good stuff and bad stuff."

She added: "The good news: Our instincts tell us that AOL is on the cusp of breaking out with a profitable business model (after years of building) and that the stock price (after a lapse or two) should continue its recent steady climb. The bad news: The numbers tell us we are wrong."

For their part, America Online executives reply that the company's transition is going smoothly. They say that the big losses recently, and the impact on America Online's balance sheet, is mainly a one-time housecleaning as part of its new business plan rather than evidence of a frightening trend.

The company's shares stood at $37.5 in afternoon trading, up 37.5 cents.

Investor's America



Exchange	Index	Thursday @4PM	Prev. Close	% Change
NYSE	The Dow	7022.44	6961.63	+0.87
NYSE	S&P 500	811.83	802.77	+1.13
NYSE	S&P 100	791.27	783.14	+1.04
NYSE	Composite	424.42	419.88	+1.08
U.S.	Nasdaq Composite	1370.70	1358.96	+0.86
AMEX	Market Value	595.40	593.10	+0.39
Toronto	TSE Index	6225.86	6163.70	+1.01
São Paulo	Bovespa	87648.23	86706.25	+1.09
Mexico City	Bolsa	3767.13	3815.16	-1.26
Buenos Aires	Merval	723.85	717.94	+0.80
Santiago	IPSA General	5355.78	5319.08	+0.69
Caracas	Capital General	6457.48	6388.25	+1.08

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

American General to Buy USLife

NEW YORK (AP) — American General Corp. said Thursday that it would buy its rival insurer USLife Corp. for $1.8 billion in stock as the industry consolidates in the face of increasing competition from securities firms and banks.

The agreement would mark the Houston-based financial services company's biggest acquisition to date and would create a company with $74 billion in assets and a value in the stock market of more than $10 billion.

Hilton Tells ITT Not to Sell Assets

BEVERLY HILLS, California (Bloomberg) — The chief executive of Hilton Hotels Corp., Stephen Bollenbach, urged ITT Corp. on Thursday not to quickly sell assets unrelated to its hotel and casino businesses in fending off Hilton's $10.5 billion bid.

In a letter to Rand Araskog, chief executive of ITT, Mr. Bollenbach said he was "concerned" by statements that ITT would be "unloading" assets like its stake in Madison Square Garden and the New York Knicks and Rangers sports teams. ITT on Wednesday rejected Hilton's takeover offer.

• **Exxon Corp.** filed documents with the U.S. District Court in Anchorage, Alaska, appealing the $5.06 billion judgment stemming from Exxon's Valdez oil spill case.

• **United HealthCare Corp.** said its fourth-quarter earnings fell 13 percent to $95.1 million from $109.9 million a year earlier as its costs of providing medical services rose faster than revenue.

• **Musicland Stores Corp.** will close a total of 75 stores by the end of the month, and is looking for new investors to shore up its financial position.

• **The International Monetary Fund** approved a $223 million loan to help Peru complete the restructuring of its commercial bank debt. *Bloomberg*

Goldman Hunts Small Investor

By Peter Truell
New York Times Service

NEW YORK — Goldman, Sachs & Co. is negotiating to sell its mutual funds through Charles Schwab Corp., the big discount broker, as Wall Street pursues its latest enthusiasm, the Main Street investor.

Goldman Sachs, along with its main competitors at Merrill Lynch & Co. and Morgan Stanley & Co., has been rapidly building its asset management businesses, including its mutual fund division, which was created just under five years ago.

The rush of money into mutual fund companies has increasingly attracted the attention of such big Wall Street firms as Goldman Sachs that are best known for advising governments and huge companies.

Just last week, Morgan Stanley said that it would merge with Dean Witter, Discover & Co., in part because it is attracted by that firm's big nationwide network of brokerage offices and its huge mutual fund business.

Neither Goldman Sachs nor Schwab officials would confirm the talks, although people at both firms who spoke anonymously said late Wednesday that there were discussions concerning the distribution of Goldman's funds through Schwab.

"We are in discussion with many different fund companies," said Thomas Taggart, a spokesman for Schwab in San Francisco, who would not comment on the talks. Peter Rose, a Goldman Sachs spokesman, also declined to comment on the discussions.

Goldman Sachs now has about 34 funds, with assets totaling about $45 billion. The firm has sought many outlets for its funds, but has always insisted that there be an intermediary, such as a broker, certified financial adviser, insurance agent, bank or corporation.

Investors Add $24 Billion To Mutual Fund Holdings

New York Times Service

NEW YORK — Investors demonstrated their lingering enthusiasm for stocks by pouring an estimated $24 billion into mutual funds last month, the fourth-largest total on record, a mutual fund trade group reported.

But investors put more than half of the new dollars into money market funds, generally the safest type of mutual fund.

January is a big month for mutual funds, and last month was no exception, though the inflows to stock funds fell short of the record $28.9 billion recorded in January 1996 as well as the levels reached in April and May of last year.

But where stock funds fell short, money market funds took up the slack. According to figures from the Investment Company Institute and from AMG Data Services, they added about $32 billion in January, apparently taking in a bigger portion of overall fund investments than in January 1996.

MARKET: *Dow Jones Average Crosses 7,000-Point Mark for First Time; Further Gains Predicted*

Continued from Page 13

Fraser Management Associates in Burlington, Vermont. "With the cash flow coming into mutual funds, most mutual-fund managers are happier with stocks that are easy to buy."

This trend has led to some remarkable valuations for popular stocks, many of which are in the computer industry. Mr. Fraser noted that the market value of Intel Corp., the company that makes the processing chips that are the brains of most of the world's personal computers, is now significantly higher than the combined capitalizations of the Big Three U.S. automakers.

At its late afternoon price of 157⅞, up ½ for the day, Intel was worth $129 billion. Together, General Motors, up 1⅛ at 58¾, Ford Motor, unchanged at 32¾, and Chrysler, down ⅛ at 34⅞, were worth about $105 billion.

"You have a high concentration of money and energy going into not too many companies, and that's got to change somewhere along the way, even if you do have a steady incoming cash flow from the Baby Boom generation in the next 15 years," Mr. Fraser said. He added that if the blue-chip rally cooled down, managers of large pension and investment funds would spread their money out among smaller stocks that offered good values, compared with shares that have become too popular.

U.S. STOCKS

Meanwhile, the equity market has been buoyed by rising bond prices. Late last month, 30-year Treasury bond yields were approaching 7 percent, a level considered dangerous for the stock market. On Thursday, however, the government sold $10 billion of the bonds at an average yield of 6.64 percent.

The bond market, which is sensitive to inflation, got a brief lift from a government report that U.S. retail sales rose a modest 0.6 percent in January. Analysts noted that Americans bought fewer goods in December than had been estimated, with the government revising the advance from November to 0.3 percent from 0.6 percent. Factoring out automobiles, there was no change in December sales.

Ken Mayland, chief economist of Keycorp, the Cleveland-based banking company, predicted the Federal Reserve Board would be pleased with the figures, and central-bank policymakers are therefore unlikely to raise interest rates in the near term.

The chief central banker, Alan Greenspan, did no harm to the financial markets by refusing to comment on their levels. After testifying to a congressional subcommittee in Washington, he was asked if he cared to comment about market prices, Bloomberg News reported, but he replied, "I will restrain myself." On Dec. 5, Mr. Greenspan questioned whether an "irrational exuberance" in the markets had "unduly escalated" values of financial assets.

Those comments rattled financial markets around the world, but at the time, the Dow was trading at just 6,437.

The Washington Post reported Thursday that Mr. Greenspan and other officials in Washington have been worried about high stock valuations for more than a year.

Yet the central bank has not altered its interest-rate policy during that period, and modest yields on fixed-income investments are providing some support to the stock market, according to Thomas Van Leuven of J.P. Morgan Securities Inc.

Mr. Van Leuven said the bank, which was "cautious" about equities, looked at stock valuations relative to bond yields as a way of measuring the outlook for Wall Street. The lower yields in recent sessions keeps the outlook for equities from deteriorating when compared with the credit market, he said.

DOLLAR: *Currency's Level Should Reflect Economic Fundamentals, G-7 Says, and Traders Listen*

Continued from Page 13

"As long as investors assume the outlook is for solid U.S. growth and lower inflation, disappointment about the outlook on European growth and pessimism about Japan's economy and policy outlook, there is no reason to see a turn in the dollar's climb," said John Lipsky, the chief economist at Chase Manhattan Bank.

"The intriguing question is when the G-7 ministers think their credibility is at stake and they have to do something," he said.

"The notion that there might be some new policy action behind the new policy is highly inconceivable," Mr. Lipsky said, adding that he would not expect the Federal Reserve to undermine the dollar by cutting its target for short-term rates.

Ms. McNiff said that the short-term outlook against the yen should be more stable than against the mark, unless there is new information showing that the Japanese economy is in worse shape or that policy initiatives are floundering. "Traders will give the benefit of the doubt in the short term," she said, because the

FOREIGN EXCHANGE

current Japanese problems — a weak economy, lower interest rates and uncertain government policies — all are well known.

Analysts and traders noted that the statement issued by the Group of Seven, which is made up of the United States, Japan, Germany, France, Italy, Britain and Canada, was not very strong.

Ms. Lipsky called it "indistinct," while Carl Weinberg, the chief economist at High Frequency Economics, said all it had was "six verbs."

The key sentences about their concern about the dollar were these: "We believe that major misalignments in exchange markets noted in our April 1995 communiqué have been corrected." And, "We agreed to monitor developments in exchange markets and cooperate as appropriate."

In the April 25, 1995, statement, when the G-7 met as the dollar was falling to its lowest levels since World War II, their statement was more forceful.

They said that the dollar had fallen "beyond the levels justified by underlying economic conditions in the major countries." And the G-7 "agreed that orderly reversal of those movements is desirable."

Nicholas Sargen, J.P. Morgan's market strategist for private clients, says the G-7 "is worried about the foreign-exchange market overshooting" and is telling traders "let's not get the dollar too strong."

But he adds "that is their dilemma, because the fundamentals support a stronger dollar."

■ Bundesbank Calms Dollar

The dollar was lower against the Deutsche mark in late trading Thursday after the vice president of the Bundesbank said the German central bank did not want the U.S. currency to rise further, news agencies reported.

Johann Wilhelm Gaddum said that the recent rise of the dollar to its highest level in almost three years was a matter of "concern" to Germany. A continuation of the advance is "not in the interest of the Bundesbank," he said at a conference in Bangkok.

In Washington, C. Fred Bergsten, the head of the Institute for International Economics, said the G-7 was "bound to intervene" in currency markets if the dollar rises much further.

"I'd be surprised not to see intervention if the dollar continued to rise much further," Mr. Bergsten said.

The dollar slipped to 1.6837 DM from 1.6870 DM, and to 5.6818 French francs from 5.6890. But it rose to 124.355 yen from 124.275, and to 1.4550 Swiss francs from 1.4520. The pound dropped to $1.6235 from $1.6305.

(Bloomberg, Bridge News)

AMEX

Thursday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	3:30pm	Chg.
Indus	6976.64	7025.90	6959.71	7024.75	+63.12
Trans	2349.68	2362.81	2345.68	2361.78	+14.79
Util	233.16	233.93	232.67	233.23	+0.14
Comp	2150.55	2169.97	2146.49	2162.75	+15.82

Standard & Poors

	Previous High	Previous Low	Previous Close	Today 4:00
Industrials	938.92	922.25	938.92	947.36
Transp.	557.19	553.80	557.19	559.33
Utilities	200.03	198.50	200.03	200.87
Finance	92.51	91.35	92.51	94.86
SP 500	802.77	789.59	802.77	811.83
SP 100	783.14	770.25	783.14	791.27

NYSE

	High	Low	3PM	Chg.
Composite	423.82	419.86	423.80	+3.92
Industrials	530.23	526.19	530.18	+3.99
Transp.	364.59	363.30	364.37	+0.77
Utility	275.76	274.48	275.48	+1.00
Finance	395.23	387.73	395.18	+7.45

Nasdaq

	High	Low	3PM	Chg.
Composite	1370.46	1365.69	1370.46	+11.50
Industrials	1147.84	1142.53	1147.84	+10.75
Banks	1394.05	1384.55	1394.05	+10.11
Insurance	1479.84	1475.12	1479.73	+3.65
Finance	1740.03	1722.67	1740.03	+24.23
Transp.	878.77	873.96	878.08	-8.07

AMEX

High	Low	3PM	Chg.
595.17	593.10	594.60	+1.50

Dow Jones Bond

	Close	Chg.
20 Bonds	103.38	+0.09
10 Utilities	100.23	+0.13
10 Industrials	106.53	+0.04

Most Actives

NYSE

	Vol.	High	Low	3PM	Chg.
UHlthC	43467	51½	48¾	50⅝	+1⅛
OfficDpt	40884	19¾	18⅞	19¼	-⅝
WalMart	39854	25⅛	24⅝	24⅞	-⅛
AT&T s	35312	39⅞	39⅛	39⅜	+¼
Motorola	34925	63⅛	62⅛	63	-⅛
GnMotr	33984	59	57⅞	59	+1⅛
Hmstke	33773	15½	14⅞	15¼	+⅛
Nokia	33101	64⅝	63	64⅝	-⅞
BancOne	32837	45⅝	44½	45⅝	+1
PepsiCo s	32873	32⅛	31⅞	32	-⅛
IBM	31526	148⅛	145⅛	146⅞	+1½
Hanson s	31241	7⅛	7	7⅛	+⅛
USWM	28825	20⅛	19⅞	20	+⅛
TelMex	27339	41	39⅞	40	-⅛
FannieMae	27138	43⅞	41⅞	43⅞	+1⅝

Nasdaq

	Vol.	High	Low	3PM	Chg.
WorldCm s	122546	27⅛	26⅛	27⅛	+1⅛
3Com	98110	42⅞	40	41⅞	+1⅞
Cisco s	97846	65⅞	62⅞	63⅞	-1
MicronEl	88710	19⅞	17⅞	19⅛	+⅛
Intel	85635	158⅞	156	157⅞	+1
PicTel	81857	18⅛	15⅞	16⅛	-2⅝
ApldMat	81089	54⅞	51	53⅛	+1⅞
Informix	80276	20	18⅞	18⅞	-1⅛
DellCpt s	70763	71⅞	67⅞	71⅞	+4⅛
Microsft s	57864	100⅞	99⅞	100⅛	+⅜
SunMics	53242	35	34⅞	34⅞	+⅛
US Robt s	51204	63⅞	60⅞	63⅛	+3⅛
KLA	49979	47⅞	43⅞	47⅞	+3⅞
Staples	48535	21⅞	20	21⅛	+1⅛
Oracle s	41964	42⅛	40⅞	41	-⅛

AMEX

	Vol.	High	Low	Last	Chg.
EchoBay	11773	6⅝	6½	6½	-⅛
ForstLb	18237	47⅞	41	47	-⅞
SPDR	9905	81⅞	80⅞	81⅛	+⅞
Harken	7812	4⅞	4⅝	4⅝	-⅛
ViacB	7178	34⅞	34⅛	34⅛	
TWA	7126	6⅞	6	6⅝	+⅛
IvaxCp	5816	12⅛	12	12⅛	+⅛
FAusPr	5302	8⅞	8⅞	8⅞	
RoyalOg	5265	3⅛	3⅛	3⅛	
Nabors	4819	17⅛	16⅞	17	

Trading Activity

NYSE

	Noon	Prev.
Advanced	1548	1800
Declined	821	778
Unchanged	813	771
Total issues	3192	3349
New Highs	247	238
New Lows	9	24

Nasdaq

	Noon	Prev. Close
Advanced	1956	2302
Declined	1591	1789
Unchanged	2207	1665
Total issues	5754	5756
New Highs	145	179
New Lows	43	87

AMEX

	Noon	Prev.
Advanced	232	317
Declined	215	234
Unchanged	192	182
Total issues	639	733
New Highs	23	21
New Lows	4	6

Market Sales

	Today 4:00	Prev. cons.
NYSE	589.50	570.47
Amex	20.60	30.19
Nasdaq	684.79	669.23

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
British Petrol	b	1.286	2-21	5-6
British Sky Brd	b	.3333	2-21	4-11
Reuters Holdings	b	1.107	3-19	5-2
STOCK SPLIT				
Campbell Soup 2 for 1 split.				
Nuclear Metals 2 for 1 split.				
Reckson Assoc 2 for 1 split.				
INCREASED				
Allied Cap Corp	Q	.33	3-14	3-31
Allied Cap II	Q	.43	3-14	3-31
Hawkins Chem	S	.09	3-28	4-11
Indiana Common	S	.18	2-28	3-28
Service Corp Intl	Q	.075	4-15	4-30
Varsity Spirit	Q	.055	2-24	3-6
Winthrop Res	Q	.05	3-14	4-1
OMITTED				
Scitex Corp				
REGULAR				
Caliber Syst	Q	.18	4-15	5-1
Cubic Corp	S	.19	3-7	3-21
Dow Chemical	Q	.75	3-31	4-30
Exide Corp	Q	.02	3-26	3-14
Illinova Cp	Q	.31	4-10	5-1
Koger Equity	Q	.05	4-4	5-6
McDonald Co Inv	Q	.093	2-19	2-28
Nacco Ind A	Q	.1875	3-3	3-14
Occidental Petrol	Q	.25	3-7	4-15
PMI Group	Q	.05	3-31	4-15
Raven Indus	Q	.13	3-28	4-15
Reliance Grp	Q	.08	3-17	4-1
Roadway Express	Q	.05	2-14	3-3
Thermo Remedn	S	.10	3-3	3-24
Titan Holdings	Q	.08	2-24	3-6
Wolverwright Bk		.015	2-28	3-14

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s).
b - annual rate of dividend plus stock dividend.
c - liquidating dividend.
cc - PE exceeds 99.
cld - called.
d - new yearly low.
dd - loss in the last 12 months.
e - dividend declared or paid in preceding 12 months.
f - annual rate, increased on last declaration.
g - dividend in Canadian funds, subject to 15% non-residence tax.
i - dividend declared after split-up or stock dividend.
j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k - dividend declared or paid this year, an accum. ...ive issue with dividends in arrears.
m - (' ...ual rate, reduced on last declaration.
n - new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd - next day delivery.
p - initial dividend, annual rate unknown.
P/E - price-earnings ratio.
q - closed-end mutual fund.
r - dividend declared or paid in preceding 12 months, plus stock dividend.
s - stock split. Dividend begins with date of split.
sls - sales.
t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u - new yearly high.
v - trading halted.
vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd - when distributed.
wi - when issued/
ww - with warrants.
x - ex-dividend or ex-rights.
xdis - ex-distribution.
xw - without warrants.
y- ex-dividend and sales in full.
yld - yield.
z - sales in full.

INTERNATIONAL FUTURES

Feb. 13, 1997

High Low Close Chge OpInt

Grains

	High	Low	Close	Chge	OpInt
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Mar 97	273¾	272½	274¾	+1	104,675
May 97	273	271¾	273¾	+1	87,014
Jul 97	271¼	270	271¾	+¾	72,954
Sep 97	268	267	267½	-½	70,892
Dec 97	268¾	267¾	268	-¾	46,871
Est. sales N.A. Wed's. sales 49,356					
Wed's open int 329,123 up 4066					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Mar 97	248.80	246.30	248.50	+1.30	33,396
May 97	243.20	241.10	243.10	+1.30	25,765
Jul 97	240.70	239.00	240.40	+0.80	23,344
Aug 97	237.40	236.10	237.50	+0.50	4,263
Sep 97	231.20	229.50	230.50	-0.40	3,020
Oct 97	221.00	220.00	220.50	-0.10	1,178
Est. sales N.A. Wed's. sales 34,330					
Wed's open int 94,822 up 3929					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Mar 97	24.04	23.66	23.83	-0.15	37,089
May 97	24.45	24.05	24.25	-0.10	34,695
Jul 97	24.77	24.50	24.61	-0.11	15,917
Aug 97	24.83	24.75	24.77	-0.09	3,251
Sep 97	25.00	24.90	24.90	-0.05	2,735
Oct 97	25.05	25.00	25.05	-0.07	864
Est. sales N.A. Wed's. sales 23,862					
Wed's open int 91,290 up 1277					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Mar 97	766½	761	765	+¾	67,163
May 97	766	760	765	+2	42,729
Jul 97	765½	759½	764½	+2	37,785
Aug 97	760	755½	760	+2½	6,193
Sep 97	727	724	727½	+1½	2,053
Est. sales N.A. Wed's. sales 84,308					
Wed's open int 176,676 up 6980					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Mar 97	363	357	358½	+1¼	23,135
May 97	358½	353	356	+1	17,251
Jul 97	343½	339¾	343	+1	27,458
Sep 97	347	343½	345½	+¾	2,330
Est. sales N.A. Wed's. sales 22,983					
Wed's open int 72,443 up 2749					

Livestock

	High	Low	Close	Chge	OpInt
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Apr 97	66.55	65.72	66.35	+0.46	42,703
Jun 97	64.20	63.75	64.15	+0.27	17,146
Aug 97	63.85	63.52	63.75	+0.15	10,058
Oct 97	67.30	66.80	67.55	+0.70	11,497
Dec 97	69.27	68.80	69.50	+0.65	4,249
Feb 98	70.40	70.10	70.65	+0.55	2,183
Est. sales N.A. Wed's. sales 15,050					
Wed's open int 101,170 off 432					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Mar 97	68.40	67.87	68.17	+0.17	6,128
Apr 97	69.02	68.60	68.95	+0.27	3,282
May 97	70.55	69.90	70.52	+0.55	4,928
Aug 97	73.85	73.32	73.90	+0.60	4,153
Sep 97	74.20	73.75	74.32	+0.62	1,589
Oct 97	74.85	74.35	74.90	+0.57	1,864
Est. sales N.A. Wed's. sales 2,118					
Wed's open int 22,535 off 100					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Apr 97	74.47	74.07	74.40	-0.02	15,606
Jun 97	79.82	79.20	79.77	+0.40	8,712
Jul 97	77.65	77.25	77.70	+0.30	1,889
Aug 97	74.38	73.90	74.27	+0.20	2,156
Oct 97	67.50	67.15	67.57	+0.25	1,461
Dec 97	65.25	65.00	65.32	+0.17	775
Est. sales N.A. Wed's. sales 7,061					
Wed's open int 34,329 off 610					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 97	79.22	77.40	79.00	+1.10	985
Mar 97	79.50	77.80	78.57	+0.05	2,642
May 97	80.10	78.60	79.17	+0.55	3,444
Jul 97	78.20	77.20	78.10	+0.87	714
Aug 97	74.00	74.60	74.80	+0.77	518
Est. sales N.A. Wed's. sales 3,771					
Wed's open int 8,303 up 143					

Food

	High	Low	Close	Chge	OpInt
COCOA (NCSE) 10 metric tons- $ per ton					
Mar 97	1252	1217	1227	-7	5,736
May 97	1290	1271	1277	+3	33,447
Jul 97	1320	1300	1307	+1	17,272
Sep 97	1347	1327	1335	+3	9,975
Dec 97	1369	1360	1360	+5	5,462
Est. sales N.A. Wed's. sales 17,144					
Wed's open int 90,051 off 2820					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Mar 97	180.00	173.00	180.05	+8.20	14,586
May 97	168.00	164.10	169.00	+5.80	15,707
Jul 97	162.65	159.00	162.85	+4.25	6,013
Sep 97	154.50	153.00	155.95	+3.95	3,474
Est. sales N.A. Wed's. sales 17,889					
Wed's open int 42,617 off 933					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 97	10.73	10.53	10.64	-0.02	45,526
May 97	10.67	10.54	10.61	-0.04	41,006
Jul 97	10.49	10.38	10.45	-0.03	28,587
Oct 97	10.45	10.38	10.41	-0.03	20,758
Est. sales N.A. Wed's. sales 24,311					
Wed's open int 145,135 off 1628					

	High	Low	Close	Chge	OpInt
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Mar 97	77.40	74.55	76.90	+2.35	10,428
May 97	80.85	77.50	80.05	+1.90	8,758
Jul 97	84.15	81.50	83.35	+1.95	3,630
Sep 97	87.00	84.50	86.25	+1.85	2,389
Est. sales N.A. Wed's. sales 7,047					
Wed's open int 26,177 up 1067					

Metals

	High	Low	Close	Chge	OpInt
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Feb 97	344.90	343.80	344.20	-0.60	3,557
Mar 97			344.90		65
Apr 97	346.10	343.70	343.90	-1.50	99,53[illegible]
Jun 97	347.70	346.00	346.00	-1.40	25,24[illegible]
Aug 97	350.00	348.50	350.00	-0.10	10,496
Oct 97			352.60		4,251
Dec 97	355.00	353.60	354.00	-1.10	18,494
Feb 98	357.50	356.20	356.20	-1.40	3,866
Est. sales N.A. Wed's. sales 82,281					
Wed's open int 199,169 up 3894					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Feb 97	110.60	108.60	108.15	-0.25	1,797
Mar 97	110.20	107.90	108.85	+0.10	23,517
Apr 97	107.70	106.40	105.95	-0.10	1,691
May 97	106.80	104.50	104.45	+0.20	4,221
Jun 97	102.00	102.00	103.45	+0.10	862
Jul 97	104.25	102.40	102.55	+0.05	4,715
Aug 97			101.70		616
Sep 97	102.00	101.50	100.90		2,635
Oct 97			100.10		584
Est. sales N.A. Wed's. sales 7,199					
Wed's open int 53,202 off 400					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Feb 97			512.30		1
Mar 97	518.00	510.50	515.50	+2.80	51,43[illegible]
Apr 97	515.50	515.50	519.00	+3.00	
May 97	522.00	516.00	520.50	+2.80	23,19[illegible]
Jul 97	527.00	520.00	526.50	+3.30	9,56[illegible]
Sep 97	530.00	527.50	532.50	+4.60	3,07[illegible]
Dec 97	538.00	531.50	538.00	+3.00	5,38[illegible]
Jan 98			538.10		
Est. sales N.A. Wed's. sales 63,843					
Wed's open int 97,471 up 6392					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Apr 97	373.50	369.50	370.00	-1.80	19,67[illegible]
Jul 97	373.50	372.00	375.00	+1.30	3,41[illegible]
Oct 97	375.50	373.50	373.50	-2.40	2,41[illegible]
Jan 98			378.20		1,11[illegible]
Est. sales N.A. Wed's. sales 186					
Wed's open int 26,408 off 1343					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1543.00	1544.00	1524.00	1525.00
Forward	1575.00	1576.00	1557½	1558.00
Copper Cathodes (High Grade)				
Spot	2385.00	2390.00	2374.00	2379.00
Forward	2282.00	2283.00	2248.00	2249.00
Lead				
Spot	651.00	652.00	644.00	645.00
Forward	657½	658.00	652.00	653.00
Nickel				
Spot	7820.00	7830.00	7785.00	7795.00
Forward	7910.00	7915.00	7870.00	7880.00
Tin				
Spot	5880.00	5885.00	5865.00	5875.00
Forward	5938.00	5940.00	5930.00	5940.00
Zinc (Special High Grade)				
Spot	1201.00	1202.00	1165.00	1166.00
Forward	1223.00	1224.00	1188.00	1189.00

Financial

	High	Low	Close	Chge	OpInt
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Mar 97	95.00	94.99	94.99	+0.01	4,949
Jun 97	94.90	94.88	94.90	+0.01	3,331
Sep 97	94.76	94.76	94.76	+0.02	886
Dec 97			94.48		847
Est. sales N.A. Wed's. sales 247					
Wed's open int 9,176 off 41					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Mar 97	107-01	106-55	106-63	+ 08	189,394
Jun 97	106-47	106-43	106-50	+ 10	18,951
Sep 97			106-34		
Est. sales N.A. Wed's. sales 46,982					
Wed's open int 208,345 up 10114					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 97	109-23	109-15	109-20	+ 05	300,934
Jun 97	109-03	108-30	109-02	+ 07	40,861
Sep 97	108-17	108-17	108-17	+ 05	3,518
Est. sales N.A. Wed's. sales 57,194					
Wed's open int 345,233 off 1088					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Mar 97	112-28	112-13	112-24	+ 11	485,266
Jun 97	112-13	111-30	112-08	+ 10	42,241
Sep 97	111-18	111-18	111-31	+ 15	10,791
Dec 97			111-03		3,974
Est. sales N.A. Wed's. sales 303,072					
Wed's open int 542,330 up 11535					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar97	102.26	102.05	102.19	+ 0.09	248,151
Jun97	102.37	102.22	102.34	+ 0.10	19,879
Est. sales: 156,978. Prev. sales: 229,427					
Prev. open int.: 268,030 up 10,696					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Mar97	113-24	113-00	113-10	- 0-06	198,300
Jun97	112-22	112-18	112-27	- 0-06	6,164
Est. sales: 74,565. Prev. sales: 91,773					
Prev. open int.: 204,464 up 4,838					

	High	Low	Close	Chge	OpInt
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Mar 97	131.96	131.76	131.92	+0.18	144,172
Jun 97	130.64	130.50	130.64	+0.18	15,032
Sep 97	128.96	128.96	128.96	+0.18	876
Dec 97	N.T.	N.T.	98.22	+0.18	0
Est. volume: 103,443. Open int.: 160,080 up 1,202.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar97	131.17	130.30	130.49	— 0.53	110,626
Jun97	130.45	129.91	129.99	— 0.53	14,670
Sep97	N.T.	N.T.	129.99	— 0.51	600
Est. sales: 78,153. Prev. sales: 62,570					
Prev. open int.: 125,896 up 2,742					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Feb 97	94.50	94.49	94.50		19,926
Mar 97	94.49	94.47	94.48		393,781
Apr 97	94.45	94.42	94.44	+0.02	6,831
Jun 97	94.39	94.34	94.38	+0.03	379,774
Sep 97	94.29	94.21	94.28	+0.07	291,462
Dec 97	94.10	94.03	94.09	+0.06	210,199
Mar 98	94.00	93.92	93.99	+0.07	180,532
Jun 98	93.90	93.81	93.89	+0.07	140,441
Sep 98	93.82	93.73	93.81	+0.07	104,724
Dec 98	93.70	93.63	93.69	+0.07	82,918
Mar 99	93.67	93.60	93.67	+0.07	66,077
Jun 99	93.61	93.55	93.61	+0.07	68,175
Est. sales N.A. Wed's. sales 234,767					
Wed's open int 2,309,168 up 2288					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Mar 97	1.6346	1.6180	1.6234		33,222
Jun 97	1.6278	1.6156	1.6180		2,790
Sep 97			1.6262		1,080
Dec 97			1.6236		8
Est. sales N.A. Wed's. sales 6,294					
Wed's open int 37,080 off 143					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Mar 97	.7417	.7390	.7411		41,047
Jun 97	.7462	.7444	.7457		8,747
Sep 97	.7498	.7489	.7493		3,402
Dec 97	.7540	.7540	.7534		545
Est. sales N.A. Wed's. sales 4,296					
Wed's open int 53,997 off 209					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Mar 97	.5976	.5927	.5951		93,786
Jun 97	.5992	.5968	.5981		5,878
Sep 97	.6015	.6004	.6004		2,362
Dec 97			.6058		20
Est. sales N.A. Wed's. sales 34,046					
Wed's open int 101,966 off 97452					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Mar 97	.8100	.8056	.8080		81,057
Jun 97	.8210	.8167	.8183		3,501
Sep 97			.8285		614
Est. sales N.A. Wed's. sales 17,979					
Wed's open int 85,323 up 1473					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Mar 97	.6951	.6882	.6901		47,772
Jun 97	.7010	.6950	.6961		3,714
Sep 97			.7040		1,967
Est. sales N.A. Wed's. sales 16,089					
Wed's open int 52,874 off 102					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Feb97	96.85	96.85	96.85	— 0.01	3,268
Mar97	96.89	96.87	96.87	— 0.02	200,082
Apr97	96.89	96.89	96.88	— 0.01	3,999
Jun97	96.91	96.88	96.88	— 0.02	175,106
Sep97	96.83	96.81	96.81	— 0.02	150,126
Dec97	96.70	96.66	96.67	— 0.01	165,475
Mar98	96.53	96.50	96.51	— 0.01	121,009
Jun98	96.35	96.31	96.32	— 0.01	107,167
Sep98	96.12	96.09	96.10	— 0.01	78,358
Dec98	95.87	95.85	95.85	— 0.01	68,283
Mar99	95.64	95.62	95.62	Unch.	46,728
Jun99	95.39	95.37	95.38	+ 0.01	25,141
Sep99	95.13	95.12	95.13	+ 0.02	20,564
Dec99	94.88	94.87	94.88	+ 0.02	18,403
Est. sales: 93,479. Prev. sales: 142,272					
Prev. open int.: 1,187,126 up 8,456					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Mar97	93.72	93.69	93.70	— 0.02	104,605
Jun97	93.51	93.46	93.47	— 0.02	118,197
Sep97	93.33	93.27	93.29	— 0.01	82,701
Dec97	93.19	93.12	93.15	— 0.01	56,092
Mar98	93.09	93.03	93.05	— 0.01	37,545
Jun98	93.00	92.94	92.98	Unch.	37,088
Sep98	92.95	92.91	92.93	Unch.	21,787
Dec98	92.89	92.86	92.88	+ 0.01	18,357
Mar99	92.85	92.82	92.82	Unch.	8,473
Jun99	92.80	92.76	92.76	— 0.01	7,066
Sep99	92.75	92.73	92.73	— 0.01	7,285
Dec99	92.69	92.69	92.69	— 0.01	5,132
Est. sales: 55,115. Prev. sales: 93,847					
Prev. open int.: 505,142 up 11,213					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Mar 97	96.71	96.69	96.70	+0.01	66,584
Jun 97	96.74	96.72	96.73	+0.00	51,363
Sep 97	96.71	96.69	96.71	+0.01	35,246
Dec 97	96.67	96.64	96.65	+0.00	31,309
Mar 98	96.55	96.53	96.55	+0.00	18,675
Jun 98	96.41	96.39	96.41	+0.01	17,447
Sep 98	96.24	96.22	96.24	+0.00	11,310
Dec 98	96.02	96.00	96.01	+0.01	10,137
Mar 99	95.78	95.76	95.77	+0.02	12,887
Jun 99	95.52	95.51	95.52	+0.02	6,276
Sep 99	95.26	95.26	95.27	+0.01	3,287
Dec 99	95.03	95.03	95.04	+0.02	1,849
Est. volume: 39,199. Open int.: 266,370 off 705.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Mar97	92.97	92.88	92.94	— 0.03	96,658
Jun97	93.53	93.40	93.45	— 0.07	80,755
Sep97	93.87	93.74	93.79	— 0.08	46,513
Dec97	94.05	93.92	93.98	— 0.09	34,762
Mar98	94.13	94.00	94.05	— 0.11	14,224
Jun98	94.11	94.00	94.05	— 0.10	10,128
Est. sales: 86,017. Prev. sales: 55,921					
Prev. open int.: 285,040 up 4,054					

Industrials

	High	Low	Close	Chge	OpInt
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Mar 97	73.80	72.90	73.14	—0.28	16,613
May 97	75.30	74.50	74.65	—0.27	24,132
Jul 97	76.40	75.60	75.65	—0.40	9,355
Oct 97	76.50	75.90	75.90	—0.38	1,375
Dec 97	76.50	75.91	76.05	—0.25	12,872
Mar 98	77.10	77.00	77.00	—0.17	871
Est. sales N.A. Wed's. sales 12,611					
Wed's open int 65,759 up 1095					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Mar 97	61.20	59.90	59.65	—1.30	33,711
Apr 97	58.95	57.90	57.80	—0.92	23,091
May 97	57.08	56.30	56.20	—0.77	9,297
Jun 97	56.30	55.60	55.60	—0.52	7,497
Jul 97	55.90	55.50	55.50	—0.22	5,863
Aug 97	56.40	55.95	56.05	+0.03	3,438
Sep 97	56.85	56.50	56.50	—0.02	3,427
Oct 97	57.30	57.10	57.00	—0.02	2,134
Nov 97	57.95	57.50	57.80	+0.28	1,917
Dec 97	58.40	57.90	57.95	—0.07	5,107
Est. sales N.A. Wed's. sales 52,204					
Wed's open int 102,536 up 3769					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Mar 97	22.86	21.50	21.68	—0.18	58,307
Apr 97	21.76	21.25	21.44	—0.19	72,104
May 97	21.48	20.97	21.14	—0.20	40,178
Jun 97	21.14	20.70	20.94	—0.15	35,422
Jul 97	20.95	20.65	20.83	—0.03	16,839
Aug 97	20.71	20.45	20.50	—0.15	15,868
Sep 97	20.50	20.25	20.30	—0.14	15,740
Oct 97	20.20	20.18	20.22	—0.02	11,002
Nov 97	20.10	20.05	19.99	—0.07	8,481
Dec 97	20.10	19.80	19.90	—0.02	24,312
Jan 98	19.91	19.98	19.98	+0.10	13,154
Feb 98	19.85	19.80	19.80	+0.08	7,970
Mar 98	19.72	19.70	19.75	+0.10	2,166
Est. sales N.A. Wed's. sales 157,724					
Wed's open int 394,436 up 12897					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Mar 97	2.090	1.990	1.995		31,987
Apr 97	2.055	1.985	1.990		24,602
May 97	2.025	1.970	1.970		14,467
Jun 97	2.025	1.970	1.980		9,575
Jul 97	2.040	1.985	1.990		9,340
Aug 97	2.045	1.995	2.000		7,676
Sep 97	2.055	2.000	2.005		6,891
Oct 97	2.065	2.010	2.015		8,901
Nov 97	2.165	2.120	2.130		5,177
Dec 97	2.275	2.230	2.230		7,962
Jan 98	2.300	2.270	2.265		6,632
Est. sales N.A. Wed's. sales 47,938					
Wed's open int 166,711 up 4275					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Mar 97	63.40	61.90	62.70	—0.19	27,489
Apr 97	65.20	63.90	64.20	—0.54	23,518
May 97	64.75	63.80	64.20	—0.30	13,890
Jun 97	64.00	62.90	63.30	—0.30	8,493
Jul 97	62.40	62.00	62.60	+0.40	4,959
Aug 97	61.80	60.75	60.80	+0.05	3,982
Est. sales N.A. Wed's. sales 31,123					
Wed's open int 85,037 up 2169					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Mar 97	182.25	178.50	180.00	—21.00	18,376
Apr 97	178.25	176.00	178.00	—15.00	7,538
May 97	176.75	175.00	176.25	—12.75	4,234
Jun 97	176.50	174.25	176.50	—9.75	8,239
Jul 97	177.50	176.00	176.25	—8.25	2,967
Aug 97	N.T.	N.T.	177.75	—7.25	1,354
Sept 97	N.T.	N.T.	178.50	—6.50	1,068
Est. sales: 16,864. Open int.: 61,867 off 2,164					

Stock Indexes

	High	Low	Close	Chge	OpInt
S&P COMP. INDEX (CMER) 500 x index					
Mar 97	812.90	806.75	810.80	+3.55	182,140
Jun 97	820.00	815.40	819.20	+4.50	11,286
Sep 97	827.00	824.30	827.00	+4.35	1,652
Dec 97	835.00	832.20	835.00	+4.20	1,597
Est. sales N.A. Wed's. sales 81,560					
Wed's open int 196,595 up 3757					
FTSE 100 (LIFFE) £25 per index point					
Mar97	4324.0	4307.0	4316.0	+ 17.0	99,785
Jun97	4336.0	4336.0	4336.0	+ 17.5	5,604
Sep97	N.T	N.T	4362.0	+ 17.0	1,901
Est. sales: 10,584. Prev. sales: 11,857					
Prev. open int.: 67,290 up 767					
CAC 40 (MATIF) FF200 per index point					
Feb 97	2638.0	2624.0	2634.5	+29.50	27,365
Mar 97	2642.0	2633.0	2641.0	+29.50	23,038
Apr 97	2637.0	2637.0	2642.54	+29.54	150
Jun 97	2602.5	2602.5	2606.5	+29.50	3,167
Sep 97	N.T.	N.T.	2619.0	+29.50	6,093
Dec 97	N.T.	N.T.	2638.5	+29.50	0
Mar 98	N.T.	N.T.	2656.0	+29.50	7,829
Sep 98	N.T.	N.T.	2631.5	+29.50	710
Est. volume: 13,100. Open int.: 68,352 up 1,178.					

Commodity Indexes

	Close	Previous
Moody's	1,492.80	1,486.80
Reuters	1,971.40	1,960.00
D.J. Futures	155.27	154.72
CRB	238.38	238.00

Siemens Chief ... Slow Earnings ... To Restless In...

Chubb's Talks On Possible Sale Bolster Shares

WORLD STOCK MARKETS

Thursday, Feb. 13

Amsterdam

Bangkok

Bombay

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Siemens Chief Defends Slow Earnings Growth To Restless Investors

Bloomberg News

BERLIN — Siemens AG's chief executive, Heinrich von Pierer, had barely begun addressing the company's annual shareholders' meeting in Berlin on Thursday when he was forced from the podium by hecklers.

The chants came from a group, quickly ejected from the meeting hall, demanding that Siemens compensate slave laborers for work they were forced to perform for the company during World War II.

It was not a good omen for Mr. von Pierer, who is under increasing pressure from investors and analysts to increase profits more quickly. German publications such as the weekly Der Spiegel have already begun speculating that Mr. von Pierer could be forced from his post as head of Germany's largest electronics and engineering company.

When he retook the podium, Mr. von Pierer, who has been chief executive officer since 1992, held fast to his view that Siemens can improve its earnings without steep job cuts or other radical measures.

"One should not get mired down in a conflict between investors and employees," Mr. von Pierer told the gathering, which coincided with the company's 150th anniversary. "Secure jobs and motivated employees as well as profitable companies and motivated shareholders are two sides of the same coin."

Mr. von Pierer also refused to feed shareholder hopes for higher earnings in its financial year of 1997. He repeated forecasts that Siemens expected earnings for the year to be the same as they were last year, with gains coming only in the 1998 financial year.

Net profit was 2.5 billion Deutsche marks ($1.49 billion), not counting one-time gains, in the financial year ended Sept. 30, 1996.

"We expect an increase in new orders and sales that will be above the original conservative plan" in financial 1997, Mr. von Pierer said. He cited favorable currency rates and low interest rates.

He also said that "in the foreseeable future," Siemens planned to sell units with sales of 3 billion DM, after selling units with sales of 2.5 billion DM in financial 1996. The sales would amount to about 3.2 percent of Siemens total sales last year of 94.2 billion DM. They will be offset by acquisitions in some areas, he said.

The company said in December it expected to cut about 6,000 jobs during the financial year out of a work force of 203,000. Only a few people will be fired; most of the cuts will come from normal attrition. Indeed, Siemens continues to make "considerable additions" to its work force, Mr. von Pierer said.

But investors want more.

"There's certainly movement in the company, but it's only superficial," said Daniela Bergdolt, a representative of a shareholder advocacy group at the Thursday meeting. "Don't fall back into monopoly practices. The problems aren't solved."

Siemens shares closed down 40 pfennig at 86.53 DM in electronic trading, as the benchmark DAX index surged to close at its 11th consecutive record high.

Chubb's Talks On Possible Sale Bolster Shares

Compiled by Our Staff From Dispatches

LONDON — Chubb Security PLC said Thursday it was in talks that might lead to a sale of the company for as much as £1.27 billion ($2.1 billion), prompting the company's stock to surge 23 percent.

The company, which makes products ranging from closed-circuit television equipment to fire extinguishers, said it was looking for a buyer.

But Chubb said it did not expect a buyer to value the company at more than 450 pence per share. Chubb's shares closed Thursday at 420 pence, up 79.

Analysts said there were no obvious bidders in Britain for Chubb, which holds about 11 percent of the global security-systems market in which it operates. *(Bloomberg, Reuters)*

2.5% French Growth Foreseen

OECD Report Lifts Government Credibility on EMU

By Carl Gewirtz
International Herald Tribune

PARIS — With monetary conditions currently "far easier" than in any year since the mid-1980s, French economic growth should expand 2.5 percent this year and again in 1998, the Organization for Economic Cooperation and Development forecast Thursday.

This pickup from last year's anemic 1.3 percent enhances the government's credibility to get its budget deficit to 3 percent of total output — the target needed to qualify for membership in the European monetary union.

In fact, the OECD sees this year's budget deficit at 3.25 percent. But it said that "there would appear to be room to cope with any slippage in future budget amendments" to keep the figure at 3 percent.

The 1997 budget outcome is important because it will serve as the benchmark when governments meet in the spring of 1998 to determine which EU countries qualify for entry into the monetary union, which is to begin on Jan. 1, 1999.

Despite the stronger economic performance, however, the OECD expects little improvement in unemployment, which it predicts will remain near 12 percent. France's unemployment rate was 12.7 percent in December.

The report also warns that the government's medium-term deficit reduction targets "do not appear ambitious enough" to keep it capped at 3 percent beyond the year 2000, when demographic changes will start to push up spending. Without vigorous cutbacks in spending, the deficit could be running close to 5 percent by the year 2015.

To achieve the needed spending cuts, the report called on the government to speed up reforms in the management of core public services and in the restructuring of state-owned enterprises.

The report said that regulatory reform was needed to ease the administrative burden on French companies to increase competition and to make France "a more lightly regulated country." It said that further liberalization in the transport, telecommunications, energy and distribution sectors would lead to "considerable economy-wide benefits."

It also repeated its call for greater flexibility on wages and urged a reassessment of the role of the minimum wage in order to open job opportunities.

■ **Business Leaders Cut Investment Plans**

French business leaders polled in January revised downward their plans for new plants and machinery this year, Bloomberg News reported from Paris.

In a blow to the government's hopes to see investment become the main engine for growth, business leaders in the manufacturing industry said they planned to increase the value of investment by 4 percent in 1997 after a 1 percent rise in 1996, according to INSEE, the national bureau of statistics. In October, they had planned a 7 percent increase in 1997.

Stock Splits Fuel Rise in Shell Shares

Compiled by Our Staff From Dispatches

LONDON — The Royal Dutch/Shell Group announced Thursday stock splits and a surprisingly strong 114 percent jump in fourth-quarter net income, touching off a rise in the shares of its British and Dutch parent companies.

Europe's biggest oil company said net profit for the quarter was £1.29 billion ($2.11 billion), as higher oil prices and better refining earnings offset a weaker performance in chemicals. The results pushed Shell's 1996 net earnings up 23 percent, to £5.3 billion.

Royal Dutch/Shell said its return on investment was 13.2 percent, surpassing its target of 12 percent.

The company also said it would increase over the next five years the share of its capital spending devoted to exploration and production.

Shares surged for both parent companies, Royal Dutch Petroleum Co. and Shell Transport & Trading Co. Royal Dutch shares rose 11.70 guilders ($6.22) to 347.50 guilders in Amsterdam. Shell shares rose 26 pence to 1,088 pence in London.

The stock splits involve Royal Dutch issuing four new shares for every one held, while Shell will issue two new shares for every one held.

Royal Dutch, the company that controls 60 percent of the group, raised its dividend to 6.25 guilders a share from 5.60.

London-based Shell lifted its dividend to 22.5 pence a share from 20.4 pence. *(Bloomberg, AFX, Reuters)*

Bonn Opposition Applauds Tax Move

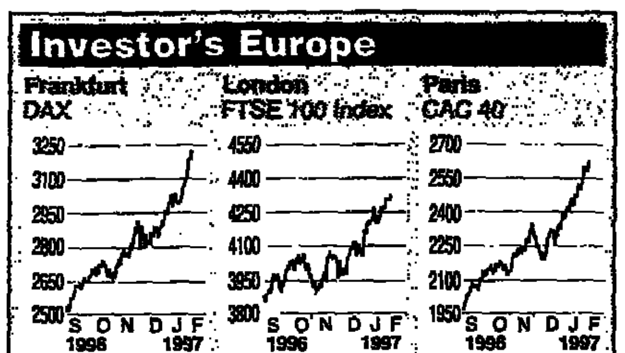
Reuters

BONN — The Social Democratic Party on Thursday greeted Finance Minister Theo Waigel's offer to begin implementing his tax-reform plan next year instead of in 1999 as a step in the right direction.

But the opposition party stood by its demand that the whole package — which aims to simplify the tax system and includes 30 billion Deutsche marks ($17.88 billion) in tax cuts — should be implemented in 1998.

"Purchasing power in Germany is so bad that demand is faltering," said Ingrid Matthaeus-Maier, an economics spokesman for the Social Democrats.

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	AEX	712.50	705.58	+0.98
Brussels	BEL-20	2,098.91	2,087.63	+0.54
Frankfurt	DAX	3,229.48	3,216.14	+0.41
Copenhagen	Stock Market	535.65	532.11	+0.67
Helsinki	HEX General	2,863.12	2,835.30	+0.98
Oslo	OBX	589.94	581.64	+1.43
London	FTSE 100	4,327.10	4,304.30	+0.53
Madrid	Stock Exchange	477.55	475.01	+0.53
Milan	MIBTEL	12,587.00	12,490.00	+0.78
Paris	CAC 40	2,628.41	2,599.33	+1.12
Stockholm	SX 16	2,801.61	2,787.97	+0.49
Vienna	ATX	1,212.03	1,208.49	+0.29
Zurich	SPI	2,824.34	2,826.29	-0.07

Source: Telekurs — International Herald Tribune

Very briefly:

- **Daimler-Benz Aerospace AG** said that its 1996 result was "substantially better" than the loss of 4.18 billion Deutsche marks ($2.48 billion) reported in 1995, aided by cost-cutting measures and a boom in new orders. The unit of **Daimler-Benz AG** said sales rose 13 percent to 13.0 billion DM. Sales were expected to rise to 14 billion DM in 1997.
- **Nokia Oy** of Finland, the world's second-largest mobile-phone maker after **Motorola Inc.**, said its fourth-quarter pretax profit rose 76 percent to 1.67 billion markkaa ($337.5 million) and forecast "strong growth" for this year.
- **South African Airways** denied reports that it was one of nine airlines planning an alliance to counter the threat of a proposed linkup between **British Airways PLC** and **AMR Corp.'s American Airlines**.
- **Coca-Cola Co.** said it outsold its arch-rival, **PepsiCo Inc.**, in Russia for the first time last year to become the number one soft-drink producer in the country.
- **Brau und Brunnen AG**, the German beer and soft-drink maker, said its chief executive, Friedrich Ebeling, had resigned and would be replaced by Rainer Verstynen, chief executive of the textile concern **Augsburger Dierig Holding AG**, on July 11. No interim chief was to be named.
- **Atlas Copco AB**, the Swedish tools and mining-materials group, said its pretax profit in 1996 rose 8 percent to 3.07 billion kronor ($412.6 million), lifted by strong sales outside its core European market.
- **Lukoil**, Russia's largest oil company, said it had obtained permission from the U.S. Securities and Exchange Commission to sell American depositary receipts for its preferred stock.
- **ITT Corp.** sold 3 million shares of **Alcatel Alsthom** to a "large American investment fund" for roughly $300 million, reducing its stake in the French telecommunications company to 2.8 percent from 4.9 percent. *Bloomberg, Reuters, AFP*

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	153.26	+1.28	+0.84	+16.22
Regional Indexes				
Asia/Pacific	110.56	+0.73	+0.66	-17.65
Europe	161.77	+0.87	+0.54	+16.23
N. America	180.39	+2.48	+1.39	+40.62
S. America	139.87	+0.56	+0.40	+57.09
Industrial Indexes				
Capital goods	180.54	+1.80	+1.01	+35.87
Consumer goods	174.01	+2.06	+1.20	+26.03
Energy	180.74	+1.87	+1.05	+33.27
Finance	111.10	+0.67	+0.61	-12.68
Miscellaneous	161.09	-0.37	-0.23	+18.61
Raw Materials	183.15	+0.89	+0.49	+29.16
Service	143.16	+1.07	+0.75	+19.30
Utilities	133.67	-0.16	-0.12	+5.14

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

WORLD STOCK MARKETS

Thursday, Feb. 13
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 712.50 — Previous: 705.58

	High	Low	Close	Prev.
ABN-AMRO	126.80	125.60	126.60	125.50
Aegon	119	117.80	118.90	118
Ahold	119.20	118.40	118.90	118.10
Akzo Nobel	288.50	285	286.10	287.40
Baan Co.	93.70	90.10	93.70	88.50
Bols Wess cva	35.50	34.60	34.90	34.60
CSM cva	112.70	112.30	112.50	112.50
Dordtsche Pet	373	357	367.30	354.20
DSM	181.50	179.90	181.20	179.60
Elsevier	29.50	28.90	29.40	29.10
Fortis Amev	71	69.90	70.70	70
Getronics	62	59.90	61.20	59
G-Broc cva	59	58	58.20	58.30
Hagemeyer	151	149	149.70	149.50
Heineken	318.50	314.50	318.20	314.70
Hoogovens cva	78.50	77.40	78.50	77.30
Hunt Douglas	131	129.50	130.50	130.20
ING Group	71.50	70.90	71.30	70.80
KLM	54.70	54	54.10	54.10
KNP BT	41.40	40.40	40.70	41.10
KPN	57	65.70	66.20	66.60
Nedlloyd Gp	56	55.50	55.50	55.80
Nutricia	277.50	274	277.40	274
Oce Grinten	238.70	236.10	236.90	236.50
Philips Elec	81.20	76.50	81	78.10
Polygram	92	85	86.10	88.50
Randstad Hdg	135.70	134	135.30	134.40
Robeco	160.80	160.40	160.50	159.80
Rodamco	61.50	60.30	60.70	61.30
Rolinco	165.50	165.40	165.40	163.90
Rorento	109.70	109.30	109.70	109.40
Royal Dutch	354.60	337.70	347.50	335.80
Unilever cva	337.20	334.20	335.50	336
Vendex Intl	87.30	84.20	87.20	86.10
VNU	39.80	38	39.40	38.20
Wolters Kl cva	229.50	226.80	227.60	225.50

Bangkok
SET index: 698.84 — Previous: 722.57

	High	Low	Close	Prev.
Adv Info Svc	228	206	208	226
Bangkok Bk F	206	198	199	202
Krung Thai Bk	43.25	39.50	40	43.25
PTT Explor	330	314	316	326
Siam Cement F	782	664	664	696
Siam Com Bk F	153	136	139	154
Telecomasia	44	42.50	44	42.75
Thai Airways	37	34.50	37	36.75
Thai Farm Bk F	122	114	119	123
Utd Comm	153	146	150	153

Bombay
Sensex 30 index: 3492.65 — Previous: 3483.48

	High	Low	Close	Prev.
Bajaj Auto	932.50	920	926.25	929.50
Hindust Lever	915	900.50	902.25	910.25
Hindust Petm	390.50	375.25	380	376.50
Ind Dev Bk	97.75	94.50	95.75	94.75
ITC	422.50	416	418.75	416.75
Mahanagar Tel	242.75	238	240.50	240.50
Reliance Ind	274.50	269.75	271.75	271.25
State Bk India	280	276	277.50	277.25
Steel Authority	22.50	22.25	22.25	22.25
Tata Eng Loco	335.75	329	333.50	331

Brussels
BEL-20 index: 2098.91 — Previous: 2087.63

	High	Low	Close	Prev.
Almanij	12700	12575	12700	12650
Barco Ind	5890	5860	5870	5840
BBL	7300	7270	7290	7200
Bekaert	20675	20050	20800	20050
CBR	3380	3355	3370	3320
CNP	2380	2340	2380	2305
Cobepa	1280	1272	1276	1265
Cockerill	115	114	115	115
Colruyt	15275	14900	15075	15175
Delhaize Lion	2070	2025	2045	2035
Electrabel	8130	8070	8080	8050
Electrafina	3320	3255	3320	3270
Fortis AG	5810	5760	5790	5760
Gevaert	2520	2430	2460	2450
GIB	1595	1580	1585	1570
GBL	4655	4630	4640	4635
Gen Banque	12600	12300	12425	12525
Kredietbank	11700	11575	11625	11600
Petrofina	12275	11925	12275	11925
Powerfin	4900	4840	4850	4825
Royale Belge	7740	7700	7740	7690
Soc Gen Belg	2775	2735	2775	2725
Solvay	21000	20775	20800	21000
Tractebel	14850	14800	14825	14825
UCB	95100	94300	94450	94600
Union Miniere	2575	2555	2570	2545

Copenhagen
Stock index: 535.65 — Previous: 532.11

	High	Low	Close	Prev.
BG Bank	289	284	288	283
Carlsberg B	415	408	414	410
Codan Fors	980	970	980	975
Danisco	368	363	366	365
Den Danske Bk	566.70	559	565	560
D/S Svenborg B	276000	269000	276000	266000
D/S 1912 B	193000	187000	193000	186000
FLS Ind B	865	854	860	866
Kob Lufthavne	685	679	685	685
Nvo Nordisk B	607	597	602	598
Sophus Ber B	925	898.65	916	920
Tele Danmk B	368.04	365	367.37	364.64
Tryg Baltica	368	359	362	366
Unidanmark A	354	347	350	350

Frankfurt
DAX: 3229.48 — Previous: 3216.14

	High	Low	Close	Prev.
AMB B	1010	1000	1000	995
Adidas	155	153.50	155	152.50
Allianz Hdg	3238	3212	3238	3189
Altana	1392	1390	1390	1390
Bk Berlin	32.80	32.60	32.60	32.70
BASF	63.08	62.50	63.04	63.35
Bayer Hypo Bk	51.95	51.60	51.80	51.45
Bay.Vereinsbank	63.90	63.30	63.50	63.97
Bayer	67.80	67.20	67.36	67.98
Beiersdorf	99.80	96.40	98.50	94.50
BMW	1184	1173	1181	1159
Commerzbank	43.45	42.75	42.90	43.50
Daimler Benz	125	124	124.30	124.35
Degussa	719	716	716.50	720
Deutsche Bank	85.45	84.90	85.10	84.48
Deut Telekom	32.72	32.50	32.53	32.63
Dresdner Bank	53.70	53.30	53.40	53.40
Fresenius	322	320.50	322	324
Fresenius Med	147.90	147	147.40	148
Fried. Krupp	260	257.50	257.50	260
Gehe	116	114	115	116.50
Heidelbg Zmt	141	140	140.50	141
Henkel pfd	88.20	87.50	87.95	87.85
Hochtief	75	71.50	72	75.10
Hoechst	75.60	75.25	75.40	75.60
Karstadt	515	507	509	517
Linde	1134	1085	1085	1118
Lufthansa	24.05	23.85	23.85	23.93
MAN	443.50	431	442	429
Mannesmann	689	677	681	687.50
Metallgesellschaft	33	32.81	32.83	33.01
Metro	132.50	131	131.75	131.50
Munich Rueck R	4078	4016	4070	3975
Preussag	417.50	414	416.50	413.50
RWE	75.90	74.50	75.50	74.25
SAP pfd	257.30	255.50	256.40	256.50
Schering	147.20	145.20	145.50	147.30
Siemens	87.60	86.90	87.35	87.05
Thyssen	324.80	322	324	320.50
Veba	95.30	94.50	95.25	93.55
VEW	504	504	502	505
Viag	709	700.50	709	712.50
Volkswagen	819	815.50	819	802.50

Helsinki
HEX General index: 2843.12 — Previous: 2836.30

	High	Low	Close	Prev.
Cultor 1	310	300	300	300
Enso A	41	40.30	40.40	40.10
Huhtamaki I	219	215	216	218
Kemira	58.40	56.60	57	57.70
Kesko	73	71	72.50	70.70
Merita A	17.90	17.50	17.70	17.50
Metra B	297	288	295	286
Metso-Serla B	41	38.40	40.50	38.40
Neste	135	132	132	133
Nokia A	332	318	319	323
Orion-Yhtymae	180	179	180	179.20
Outokumpu A	80.50	78	80	77.20
Rautaruukki	44.70	43.50	44.50	42.20
Sampo Insur	435	429	433	425
UPM-Kymmene	102	99.80	101.90	99.50
Valmet	92.50	90	92.30	89.80

Hong Kong
Hang Seng: 13248.95 — Previous: 13442.61

	High	Low	Close	Prev.
Amoy Props	10.10	9.85	9.90	10.05
Bk East Asia	33.90	33.30	33.30	33.70
Cathay Pacific	12.15	11.90	11.90	12.05
Cheung Kong	75.75	71.75	72	74.75
CK Infrastruct	21.95	21.60	21.60	21.60
China Light	36.10	35	35.10	35.70
China Overs Ld	4.10	3.93	3.93	4.08
China Res Ent	16.70	15.65	15.75	16.40
Chin Estates	8.65	8.45	8.45	8.50
Citic Pacific	39	37.40	37.50	38.40
Cosco Pacific	9.35	9.10	9.15	9.30
Dao Heng Bk	38.80	38.40	38.60	38.50
First Pacific	11.20	11	11	11.05
Great Eagle	33.40	32.60	32.60	33
Guangdong Inv	6.95	6.70	6.70	6.90
Guoco Group	44	42.70	42.70	43.90
Hang Lung Dev	15.90	15.75	15.80	15.70
Hang Seng Bk	91.75	89.50	89.50	90.75
Henderson Inv	9.18	8.90	8.90	8.95
Henderson Ld	72	68	69	71
HKR Intl	11.85	11.40	11.45	11.50
HK China Gas	14.70	14.45	14.50	14.65
HK Electric	27.30	26.80	26.80	27
HK Shang Htls	13.95	13.75	13.80	13.75
HK Telecomm	13.65	13.20	13.30	13.50
Hopewell Hdgs	4.53	4.25	4.25	4.48
HSBC Hdgs	189.50	185.50	185.50	187.50
Hutchison Wh	59	56.75	56.75	58
Hysan Dev	27.85	27.25	27.25	27.40
Johnson El Hdg	23.50	22.40	22.40	23.40
Kerry Props	20	19.60	19.80	19.85
Natl Mutual	8.65	8.40	8.50	8.40
New World Dev	50.50	48.30	48.30	50
N World Infrastr	24.10	23.30	23.70	23.20
Oriental Press	2.90	2.70	2.80	2.85
Pearl Oriental	6.30	6.10	6.20	6.15
Shanghai Indus	29.55	28.20	28.20	29
Shangri-La Asia	10.80	10.75	10.75	10.75
SHK Props	91.50	88.75	88.75	89
Shun Tak Hdgs	5.70	5.50	5.50	5.65
Sino Land Co.	9	8.70	8.80	8.85
Sth China Post	6.55	6.45	6.45	6.45
Swire Pac A	69	67.25	67.25	68.25
Tsim Sha Tsui	22.50	22.30	22.30	22.20
TV Broadcasts	34.10	33.50	34	33.50
Wharf Hdgs	35.80	34	34	35.30
Wheelock	21.25	20.50	20.50	21.10

Jakarta
Composite index: 707.37 — Previous: 701.85

	High	Low	Close	Prev.
Astra Intl	6350	6300	6350	6300
Bk Intl Indon	1925	1850	1925	1850
Bk Negara	1775	1700	1775	1700
Gudang Garm	11400	11200	11200	11400
Indocement	3600	3525	3600	3525
Indofood	5400	5300	5350	5275
Indosat	7200	7050	7150	6975
Sampoerna HM	15025	14900	14900	15000
Semen Gresik	7425	7300	7400	7275
Telekomunikasi	4250	4200	4225	4225

Johannesburg
All Market: 7041.52 — Previous: 6966.41

	High	Low	Close	Prev.
Amalgamtd Bks	29.20	28.50	28.90	28.35
AngloAm Coal	312	310	310	309
AngloAm-Corp	277.25	271.50	277	270
AngloAm Gold	315	311	315	305.50
AngloAm Ind	179	175	178.50	175
Barlow	52.50	51.50	51.50	51.50
C.G. Smith	26.05	25.25	24.65	25.15
De Beers	152.25	148.75	148.75	150.75
Driefontein	45.50	43.50	44.25	43.50
Fst Natl Bk	27.80	26.75	26.75	27.50
Gencor	19.50	19.20	19.40	19.05
GFSA	118	115	118	113
Iscor	3.65	3.57	3.60	3.60
Liberty Hdgs	345	345	345	342.50
Liberty Life	130	128.75	129.25	129
Minorco	107.50	106.50	106.75	106.25
Nampak	19.80	17.50	19	19.30
Nedcor	80	78.75	78.75	79.75
Rembrandt Gp	49.55	47.60	47.95	47.60
Richemont	62.75	62	62.50	62
Rust Platinum	68.75	66.25	68.50	63.50
SA Breweries	136.25	134.50	136	133.25
Samancor	57	55	57	55
Sasol	52	51.50	52	51.75
SBIC	187	186	186	187
Tiger Oats	72.50	71	72	71

Kuala Lumpur
Composite: 1259.10 — Previous: 1254.42

	High	Low	Close	Prev.
Genting	17.20	17	17.10	17
Mal Banking	30	29.25	29.50	29.50
Mal Intl Ship F	6.25	6.15	6.20	6.25
Petronas Gas	9.10	9	9.05	9.10
Renong	5.15	4.96	5.10	4.92
Resorts World	12.40	12.30	12.40	12.40
Sime Darby	9.40	9.20	9.20	9.35
Telekom Mal	19.80	19.40	19.60	19.80
Tenaga	12.40	12.20	12.20	12.30
Utd Engineers	23.70	23.30	23.60	23.40

London
FT-SE 100: 4327.18 — Previous: 4304.30

	High	Low	Close	Prev.
Abbey Natl	7.99	7.91	7.92	7.93
Allied Domecq	4.39	4.20	4.24	4.22
Anglian Water	6.32	6.25	6.25	6.30
Argos	6.70	6.50	6.63	6.53
Asda Group	1.18	1.14	1.15	1.15
Assoc Br Foods	5	4.96	4.99	4.97
BAA	5.47	5.35	5.44	5.41
Barclays	12.02	11.78	11.96	11.78
Bass	8.61	8.52	8.54	8.56
BAT Ind	5.35	5.18	5.20	5.25
Bank Scotland	3.56	3.50	3.52	3.51
Blue Circle	4.12	4.03	4.05	4.09
BOC Group	9.50	8.37	8.37	9.46
Boots	6.95	6.87	6.91	6.89
BPB Ind	3.40	3.29	3.32	3.41
Brit Aerosp	13	11.92	12.70	11.90
Brit Airways	5.99	5.77	5.96	5.91
Brit Gas	2.40	2.37	2.38	2.39
Brit Land	5.25	5.12	5.25	5.13
Brit Petm	7.05	6.93	6.99	7.01
BSkyB	6.65	6.53	6.60	6.54
Brit Steel	1.43	1.40	1.40	1.41
Brit Telecom	4.46	4.35	4.40	4.42
BTR	2.45	2.39	2.41	2.42
Burmah Castrol	10.25	10.19	10.21	10.25
Burton Gp	1.51	1.48	1.49	1.48
Cable Wireless	5.20	5.08	5.18	5.09
Cadbury Schw	4.93	4.78	4.84	4.79
Carlton Comm	5.65	5.45	5.61	5.47
Comml Union	7.32	7.13	7.17	7.26
Compass Gp	7.40	7.22	7.40	7.20
Courtaulds	3.88	3.83	3.87	3.86
Dixons	5	4.89	4.99	4.91
Electrocomponents	4.18	4.11	4.13	4.16
EMI Group	11.85	11.51	11.72	11.62
Enterprise Oil	6.45	6.37	6.37	6.39
Fam Colonial	1.58	1.55	1.57	1.56
Genl Accident	8.68	8.55	8.60	8.63
GEC	3.85	3.81	3.83	3.84
GKN	9.72	9.41	9.45	9.66
Glaxo Wellcome	10.81	10.09	10.23	10.10
Granada Gp	9.07	8.90	9.02	8.91
Grand Met	4.55	4.42	4.45	4.42
GRE	2.98	2.92	2.97	2.95
Greenalls Gp	5.55	5.47	5.49	5.49
Guinness	4.70	4.38	4.41	4.48
GUS	6.28	6.17	6.22	6.20
Hanson	0.92	0.86	0.89	0.88
Hays	5.76	5.64	5.75	5.66
HSBC Hdgs	14.94	14.70	14.74	14.93
ICI	7.65	7.43	7.47	7.59
Impl Tobacco	4.43	4.08	4.14	4.09
Kingfisher	6.74	6.46	6.48	6.69
Ladbroke	2.38	2.35	2.38	2.35
Land Sec	7.91	7.83	7.86	7.86
Lasmo	2.40	2.32	2.36	2.39
Legal Genl Grp	4.14	4.09	4.12	4.13
Lloyds TSB Gp	5.04	4.97	5.01	4.99
LucasVarity	2	1.94	1.98	1.94
Marks Spencer	4.87	4.80	4.84	4.81
MEPC	4.72	4.65	4.70	4.67
Mercury Asset	13.70	13.24	13.24	13.69
National Grid	2.07	2.00	2.05	2.04
Natl Power	5.17	5.05	5.05	5.11
NatWest	8.38	8.23	8.38	8.29
Next	5.84	5.60	5.76	5.69
Orange	2.17	2.13	2.15	2.15
P&O	6.70	6.60	6.62	6.65
Pearson	7.76	6.98	7.50	7.64
Pilkington	1.34	1.28	1.31	1.35
PowerGen	6.62	6.50	6.54	6.55
Premier Farnell	5.39	5.30	5.33	5.37
Prudential	5.85	5.78	5.83	5.79
Railtrack PP	3.92	3.84	3.85	3.91
Rank Group	4.25	4.15	4.15	4.23
Reckitt Colm	7.59	7.35	7.59	7.35
Redland	3.57	3.41	3.49	3.44
Reed Intl	11	10.67	10.92	10.70
Rentokil Initial	4.90	4.57	4.86	4.89
Reuters Hdgs	6.58	6.45	6.49	6.51
Rexam	3.37	3.25	3.31	3.28
RMC Group	9.52	9.42	9.49	9.46
Rolls Royce	2.23	2.19	2.19	2.20
Royal Bk Scot	6.30	4.96	4.96	6.18
RTZ reg	9.12	9.82	9.11	9.02
Royal & Sun All	5.07	4.98	5.01	5.04
Safeway	3.62	3.57	3.62	3.57
Sainsbury	3.18	3.12	3.16	3.14
Schroders	17.65	17.50	17.58	17.58
Scot Newcastle	6.95	6.80	6.85	6.91
Scot Power	3.60	3.54	3.57	3.58
Securicor	3.08	2.99	3.02	2.98
Severn Trent	7.23	7.07	7.07	7.15
Shell Transp R	11.10	10	10.88	10.62
Siebe	9.88	9.65	9.73	9.65
Smith Nephew	1.89	1.79	1.88	1.79
SmithKline	8.86	8.57	8.85	8.58
Smiths Ind	7.63	7.52	7.63	7.54
Sthern Elec	7.70	7.60	7.65	7.62
Stagecoach	7.27	7.20	7.27	7.22
Stand Charter	8.12	7.95	7.99	8.06
Tate & Lyle	4.47	4.35	4.43	4.37
Tesco	3.45	3.37	3.42	3.38
Thames Water	7.55	6.58	6.65	6.74
3i Group	5.28	5.25	5.25	5.26
TI Group	5.28	5.18	5.18	5.17
Tomkins	2.98	2.90	2.93	2.91
Unilever	14.96	14.70	14.88	14.70
Utd Assurance	5.47	5.28	5.37	5.46
Utd News	6.72	6.68	6.70	6.69
Utd Utilities	6.88	6.73	6.79	6.80
Vendome Lx uts	4.97	4.90	4.91	4.95
Vodafone	2.83	2.80	2.82	2.80
Whitbread	8.20	8.10	8.15	8.16
Williams Hdgs	3.39	3.33	3.36	3.35
Wolseley	5	4.88	4.88	4.97
WPP Group	2.47	2.42	2.44	2.45
Zeneca	17.95	17.70	17.89	17.72

Madrid
Bolsa index: 477.55 — Previous: 475.81

	High	Low	Close	Prev.
Acerinox	19920	18860	19750	18830
ACESA	1775	1740	1755	1750
Aguas Barcelon	5840	5700	5710	5790
Argentaria	5860	5750	5750	5840
BBV	8750	8680	8750	8620
Banesto	1120	1090	1090	1090
Bankinter	19950	19860	19950	19850
Bco Centro Hisp	3825	3795	3810	3795
Bco Exterior	2860	2805	2860	2850
Bco Popular	25800	25550	25800	25530
Bco Santander	9240	9100	9230	9060
CEPSA	4490	4400	4490	4400
Continente	2600	2560	2585	2560
Corp Mapfre	8190	8140	8150	8170
Endesa	9520	9290	9320	9430
FECSA	1285	1230	1240	1265
Gas Natural	33600	33260	33440	32900
Iberdrola	1635	1605	1610	1615
Pryca	2750	2705	2710	2695
Repsol	5720	5650	5690	5620
Sevillana Elec	1410	1385	1395	1380
Tabacalera	6610	6490	6590	6610
Telefonica	3380	3345	3345	3350
Union Fenosa	1180	1165	1170	1170
Valenc Cement	1500	1455	1490	1495

Manila
PSE index: 3335.73 — Previous: 3339.83

	High	Low	Close	Prev.
Ayala B	30	29.50	29.50	29.50
Ayala Land	32.50	30	30	32
Bk Philip Isl	196	188	195	188
C&P Homes	13.50	13	13.25	12.75
Manila Elec A	128	126	126	128
Metro Bank	740	725	735	725
Petron	11	10.75	11	11
PCIBank	385	360	385	360
Phil Long Dist	1620	1585	1590	1580
San Miguel B	102	99	101	98
SM Prime Hdg	7.60	7.60	7.60	7.50

Mexico
Bolsa index: 3770.23 — Previous: 3802.63

	High	Low	Close	Prev.
Alfa A	44.40	43.70	44.00	44.20
Banacci B	19.14	18.64	18.68	19.80
Cemex CPO	30.60	30.10	30.10	30.20
Cifra C	11.16	10.92	10.96	11.12
Emp Moderna	45.00	44.45	44.80	44.45
Gpo Carso A1	48.20	46.55	47.30	46.00
Gpo Fin Inbursa	28.50	27.90	28.50	28.40
Kimb Clark Mex	170.60	168.80	169.00	170.00
Televisa CPO	107.10	102.00	102.00	107.00
TelMex L	15.98	15.54	15.60	15.82

Milan
MIB Telematico: 12587.00 — Previous: 12490.00

	High	Low	Close	Prev.
Alleanza Assic	13500	12960	13460	13200
Bca Comm Ital	3530	3375	3445	3500
Bca Fideuram	4795	4565	4795	4620
Bca di Roma	1378	1319	1370	1368
Benetton	20300	19910	20195	19750
Credito Italiano	2415	2320	2340	2410
Edison	10000	9520	10000	9505
ENI	9060	8905	9060	8935
Fiat	5350	5245	5350	5295
Generali Assic	33250	32750	32950	32900
IMI	15900	15500	15630	15900
INA	2355	2315	2340	2335
Italgas	6600	6380	6515	6580
Mediaset	7330	7255	7300	7255
Mediobanca	12185	11835	11935	12060
Montedison	1306	1271	1288	1290
Parmalat	2570	2395	2440	2505
Pirelli	3650	3525	3600	3565
RAS	16390	16060	16140	16200
Rolo Banca	17960	17580	17800	18000
S Paolo Torino	11700	11265	11700	11415
Stet	8485	8170	8485	8160
Telecom Italia	4600	4400	4600	4505
TIM	4770	4685	4755	4725

Montreal
Industrials index: 3084.16 — Previous: 2997.49

	High	Low	Close	Prev.
Bce Mob Com	42.30	42	42	42.20
Cdn Tire A	24.10	23½	24.10	23½
Cdn Util A	32.30	32¼	32.30	32.30
CT Finl Svc	31¼	31¼	31¼	31.70
Gaz Metro	16.45	16.30	16.35	16.35
Gt-West Lifeco	22¼	22.15	22¼	22¼
Imasco	40	38.60	38.70	39½
Investors Grp	26.90	26.90	26.90	26¼
Loblaw Cos	17	16.60	17	16.60
Natl Bk Canada	16.10	15.90	16.05	16.05
Power Corp	29	28¾	28.98	28.65
Power Finl	36.60	36¼	36.60	36.60
Quebecor B	25.20	25	25.15	25¼
Rogers Comm B	9	8.85	8.90	8.95
Royal Bk Cda	54.98	54.20	54.80	54.20

Oslo
OBX index: 589.94 — Previous: 581.64

	High	Low	Close	Prev.
Aker A	183	180	181	182
Bergesen Dy A	144	140	143.50	142
Christiania Bk	25.90	25	25.70	24.60
Den norske Bk	30.50	29.50	30.30	28.80
Elkem	103.50	101.50	101.50	101.50
Hafslund A	48.50	48	48.50	50
Kvaerner Asa	347	342	342	341
Norsk Hydro	367	360	361	361.50
Norske Skog A	205	203	205	199
Nycomed A	104.50	102	103.50	103
Orkla Asa A	509	505	508.50	501.50
Petm GeoSvc	281	269	275	269
Saga Petm A	115.50	114.50	115	114
Schibsted	138	135	136.50	131
Transocean Off	386	375	386	373
Storebrand Asa	39.70	39	39.10	39

Paris
CAC-40: 2628.41 — Previous: 2599.33

	High	Low	Close	Prev.
Accor	754	739	749	730
AGF	197.50	190.30	194.10	195
Air Liquide	929	915	928	913
Alcatel Alsth	589	566	573	585
Axa-UAP	378.40	374.60	377.40	372.90
Bancaire	745	717	725	720
BIC	938	912	924	909
BNP	241	235	236.70	237.50
Canal Plus	1188	1175	1179	1168
Carrefour	3451	3406	3422	3385
Casino	247.80	246.80	247.40	247.50
CCF	276	271.30	276	274
Cetelem	718	705	710	700
Christian Dior	894	876	881	890
CLF-Dexia Fran	529	520	524	524
Credit Agricole	1276	1276	1276	1260.10
Danone	869	849	867	845
Elf-Aquitaine	568	555	564	555
Eridania BS	912	895	908	894
Eurotunnel	7.35	7.10	7.25	7.20
Gen. Eaux	815	795	802	776
Havas	468	442.30	466.70	445.30
Imetal	865	855	856	865
Lafarge	374	368.60	370	368.10
Legrand	952	936	945	945
L'Oreal	2086	2039	2050	2018
LVMH	1448	1416	1424	1425
Lyon. Eaux	576	564	575	569
Michelin B	343.60	339	340.40	335.50
Paribas A	406.90	399	404.90	398.50
Pernod Ricard	315.50	311	312.30	305.80
Peugeot Cit	624	610	612	614
Pinault-Print	2454	2411	2428	2401
Promodes	1695	1662	1677	1650
Renault	130	124.10	130	126.80
Rexel	1718	1690	1695	1705
Rh-Poulenc A	188	179.50	186.60	184
Sanofi	585	570	583	574
Schneider	307.60	300.50	307.50	298
SEB	1100	1091	1108	1092
SGS Thomson	404	395.10	402	386
Ste Generale	666	656	666	651
Sodexho	2789	2716	2768	2708
St Gobain	871	849	858	845
Suez	275.80	272.60	275.80	271
Synthelabo	604	592	597	605
Thomson CSF	172.40	169	170	172
Total B	475.80	466	469.80	473.20
Usinor	84.20	82	83.80	81.10
Valeo	399.60	388.10	388.60	398.90

São Paulo
Bovespa index: 87510.98 — Previous: 86706.38

	High	Low	Close	Prev.
Bradesco Pfd	9.55	9.00	9.10	9.38
Brahma Pfd	750.00	733.01	735.00	733.00
Cemig Pfd	50.10	45.50	48.10	49.50
CESP Pfd	62.00	61.60	61.60	61.70
Copel	15.50	15.25	15.250	15.40
Eletrobras	469.00	430.00	452.80	456.00
Itaubanco Pfd	548.00	540.00	540.00	548.99
Light Servicios	422.00	390.00	392.00	411.00
Lightpar	345.00	336.00	336.80	329.99
Petrobras Pfd	229.00	207.00	222.00	223.50
Telebras Pfd	101.40	96.00	99.80	97.50
Telemig	163.00	160.00	160.00	158.00
Telerj	168.00	165.00	165.00	165.00
Telesp Pfd	307.00	285.00	305.00	285.00
Unibanco	40.51	39.01	40.51	39.80
CVRD Pfd	27.50	25.80	25.50	26.50

Seoul
Composite index: 716.71 — Previous: 712.58

	High	Low	Close	Prev.
Dacom	124000	117000	124000	115000
Daewoo Heavy	5180	5000	5000	5020
Kia Motors	15800	15500	15500	15700
Korea El Pwr	28500	27900	28100	27800
Korea Exch Bk	7350	7150	7220	7300
Korea Mob Tel	555000	544000	544000	545000
LG Semicon	21100	19900	21100	19600
Pohang Iron St	45000	43300	43800	43200
Samsung Elec	60800	56500	59000	56300
Shinhan Bank	10900	10700	10700	10900

Singapore
Straits Times: 2254.68 — Previous: 2224.64

	High	Low	Close	Prev.
Asia Pac Brew	8.15	8	8	8.15
Cerebos Pac	10.70	10.40	10.70	10.30
City Devits	15.50	14.90	15.10	15
Cycle Carriage	15	14.80	14.80	14.90
Dairy Farm Int *	0.81	0.79	0.79	0.80
DBS foreign	20.20	19.70	19.80	20
DBS Land	6.15	5.95	6.05	5.90
Far East Levlng	6.85	6.65	6.70	6.75
Fraser & Neave	13.80	13.30	13.40	13.40
HK Land *	2.99	2.90	2.90	2.97
Jard Matheson *	6.30	6	6	6.20
Jard Strategic *	3.42	3.40	3.40	3.42
Keppel	11.30	11	11	11
Keppel Bank	4.36	4.20	4.32	4.20
OCBC foreign	19.80	19.40	19.60	19.40
OS Union Bk F	11.70	11.50	11.70	11.40
Parkway Hdgs	6.05	5.95	5.95	5.95
Sembawang	8.35	8.05	8.35	8
Sing Air foreign	13.60	13.40	13.50	13.50
Sing Land	8.85	8.45	8.80	8.45
Sing Press F	29.20	28.70	28.70	29
Sing Tech Ind	3.86	3.82	3.84	3.84
Sing Telecomm	3.44	3.36	3.40	3.36
Straits Steam	5.25	5.10	5.20	5.10
Tat Lee Bank	3.66	3.58	3.62	3.54
Utd Industrial	1.31	1.25	1.30	1.25
Utd OSea Bk F	17.40	16.60	16.70	16.80
Wing Tai Hdgs	4.62	4.54	4.56	4.54

*: In U.S. dollars.

Stockholm
SX 16 index: 2801.61 — Previous: 2787.97

	High	Low	Close	Prev.
AGA B	111	108	109	108
ABB A	960	918	918	929
AssiDoman	190	187	189.50	187
Astra A	360	356	356.50	355.50
Atlas Copco A	176	173	173	174
Autoliv	329	322	323	323
Electrolux B	460	451	453	457
Ericsson B	253	247.50	249	246
Hennes B	1065	1025	1027	1045
Incentive A	536	528	535	530
Investor B	346.50	343	343.50	341
MoDo B	230	225	226	223
Nordbanken	230.50	225.50	229.50	226.50
Pharm/Upjohn	276	269.50	275.50	269.50
Sandvik B	199	197	197.50	197.50
Scania B	196	193	195.50	191.50
SCA B	166	161	165	160
S-E Banken A	71.50	70	70.50	69.50
Skandia Fors	209	204.50	204.50	204
Skanska B	313	309.50	310	310
SKF B	188	186	187	184.50
Sparbanken A	117	115.50	116.50	116.50
Stadshypotek A	189	188	188.50	189
Stora A	103.50	102	103	101.50
Sv Handles A	191.50	189.50	190	188.50
Volvo B	184	180.50	180.50	183

Sydney
All Ordinaries: 2496.40 — Previous: 2473.50

	High	Low	Close	Prev.
Amcor	8.45	8.35	8.40	8.35
ANZ Bkng	8.42	8.35	8.38	8.30
BHP	18.05	17.82	18.02	17.78
Boral	3.60	3.54	3.60	3.53
Brambles Ind.	23.10	22.75	22.80	22.90
CBA	14.08	13.92	13.93	13.91
CC Amatil	13.50	13.35	13.46	13.30
Coles Myer	5.26	5.20	5.20	5.20
Comalco	6.92	6.82	6.85	6.80
CRA	19.13	19	19.09	18.92
CSR	4.61	4.54	4.60	4.54
Fosters Brew	2.69	2.66	2.68	2.65
Gen Prop Trust	2.51	2.48	2.48	2.49
GIO Australia	3.53	3.46	3.53	3.46
Goodman Fld	1.58	1.56	1.57	1.57
ICI Australia	12.95	12.68	12.95	12.68
John Fairfax	3.12	3.06	3.10	3.05
Lend Lease	23.60	22.85	23	23.11
Mayne Nickless	7.80	7.62	7.62	7.69
MIM Hdgs	1.83	1.78	1.83	1.77
Nat Aust Bank	16.55	16.09	16.52	16.07
Nat Mutual Hdg	1.99	1.90	1.94	1.88
News Corp	6.88	6.70	6.71	6.76
Normandy Min	1.74	1.71	1.71	1.69
North Ltd	4.30	4.22	4.23	4.22
Pacific Dunlop	3.13	3.12	3.13	3.12
Pioneer Intl	4.03	3.96	3.98	3.96
Pub Broadcast	6.91	6.82	6.86	6.82
Qantas Airways	2.43	2.39	2.42	2.42
Santos	4.94	4.81	4.88	4.79
Southcorp	4.49	4.40	4.47	4.42
Wesfarmers	10	9.88	9.97	9.82
WMC	8.20	7.99	8.19	7.95
Westfield Trust	2.48	2.45	2.46	2.47
Westpac Bkng	7.90	7.81	7.83	7.80
Woodside Pet	9.50	9.32	9.34	9.39
Woolworths	3.41	3.36	3.37	3.38

Taipei
Stock Market index: 7536.28 — Previous: 7424.10

	High	Low	Close	Prev.
Cathay Life Ins	179	176	178	176
Chang Hwa Bk	170	168	170	168
Chiao Tung Bk	86.50	82.50	85.50	82.50
China Developmt	101.50	96.50	101.50	95
China Steel	25.40	25.10	25.20	25.10
First Bank	178	176	178	176
Formosa Plastic	70	69	69.50	69.50
Hua Nan Bk	144	142	143.50	142
Intl Comm Bk	83.50	82.50	83.50	82.50
Nan Ya Plastics	65	64	65	64
Shin Kong Life	114.50	110.50	114	110
Taiwan Semi	64	62	63.50	62
Tatung	53.50	52.50	52.50	53
Utd Micro Elec	41.30	40.40	40.70	40.40
Utd World Chin	70.50	70	70	70

Tokyo
Nikkei 225: 18688.06 — Previous: 18410.96

	High	Low	Close	Prev.
Ajinomoto	1110	1080	1090	1060
All Nippon Air	792	775	791	770
Asahi Bank	825	813	813	806
Asahi Chem	647	632	632	639
Asahi Glass	1100	1070	1070	1060
Bk Tokyo Mitsu	1930	1900	1910	1860
Bk Yokohama	626	570	570	619
Bridgestone	2310	2240	2280	2160
Canon	2820	2730	2750	2630
Chubu Elec	2040	2010	2010	2020
Chugoku Elec	2020	2000	2000	2000
Dai Nipp Print	2010	1970	1970	1970
Dai-Ichi Kang	1280	1260	1260	1250
Daiwa Bank	520	501	501	500
Daiwa House	1440	1360	1370	1420
Daiwa Sec	913	901	901	895
DDI	7110a	6850a	6980a	7110a
Denso	2600	2550	2550	2510
East Japan Ry	5100a	5000a	5000a	5040a
Eisai	2410	2370	2380	2360
Fanuc	3880	3690	3800	3640
Fuji Bank	1290	1250	1260	1240
Fuji Photo	4190	4030	4120	3940
Fujitsu	1260	1230	1240	1220
Hachijuni Bk	1070	1020	1040	1030
Hitachi	1140	1110	1120	1090
Honda Motor	3720	3580	3640	3510
IBJ	1440	1410	1410	1390
Itochu	598	580	590	573
Ito-Yokado	5880	5750	5750	5450
JAL	517	501	501	506
Japan Tobacco	8160a	8060a	8110a	8100a
Jusco	3550	3440	3510	3440
Kajima	747	710	710	737
Kansai Elec	2130	2050	2050	2100
Kao	1340	1300	1300	1320
Kawasaki Hvy	509	492	492	488
Kawa Steel	318	310	314	305
Kinki Nipp Ry	735	722	724	724
Kirin Brewery	1110	1060	1060	1070
Kobe Steel	214	206	207	204
Komatsu	886	871	885	848
Kubota	560	540	545	554
Kyocera	7330	7160	7170	7210
Kyushu Elec	2060	2030	2040	2030
LTCB	393	385	385	383
Marubeni	492	477	478	490
Marui	1870	1760	1780	1880
Matsu Elec Ind	1990	1940	1950	1910
Matsu Elec Wk	1030	1010	1020	1030
Mitsubishi	1150	1100	1110	1120
Mitsubishi Ch	342	325	325	334
Mitsubishi El	704	691	699	682
Mitsubishi Est	1390	1330	1330	1300
Mitsubishi Hvy	909	899	907	884
Mitsubishi Mat	903	890	898	890
Mitsubishi Tr	1310	1270	1270	1250
Mitsui	914	905	905	902
Mitsui Fudosn	1250	1220	1230	1220
Mitsui Trust	728	708	708	708
Murata Mfg	4380	4350	4350	4150
NEC	1480	1450	1450	1430
Nikon	1790	1720	1750	1680
Nikko Sec	676	660	675	654
Nintendo	8180	8000	8040	8020
Nipp Express	728	713	715	718
Nippon Oil	524	500	508	516
Nippon Steel	312	304	309	301
Nissan Motor	810	795	795	783
NKK	251	245	251	240
Nomura Sec	1650	1590	1610	1560
NTT	8780a	8670a	8720a	8510a
NTT Data	3240b	3050000	3120b	3210b
Oji Paper	695	678	678	676
Osaka Gas	307	290	290	292
Ricoh	1530	1480	1510	1430
Rohm	9100	8710	9100	8630
Sakura Bk	700	676	680	672
Sankyo	3800	3560	3630	3710
Sanwa Bank	1330	1280	1280	1290
Sanyo Elec	514	501	503	496
Secom	6850	6710	6750	6550
Seibu Rwy	4800	4650	4650	4600
Sekisui House	1090	1030	1040	1070
Seven-Eleven	7590	7340	7590	7380
Sharp	1670	1640	1640	1600
Shikoku El Pwr	2010	1980	1990	2020
Shin-etsu Ch	2470	2380	2440	2320
Shizuoka Bk	1060	1010	1010	1040
Softbank	11900	11200	11200	11300
Sony	9160	9060	9070	8900
Sumitomo	924	900	900	898
Sumitomo Bk	1340	1300	1300	1280
Sumit Chem	469	458	465	454
Sumitomo Elec	1710	1680	1680	1670
Sumit Metal	279	274	275	272
Sumit Trust	975	946	955	925
Taisho Pharm	2960	2880	2890	2890
Takeda Chem	2700	2620	2700	2550
TDK	8580	8180	8500	8810
Tohoku El Pwr	2010	1980	1980	2000
Tokai Bank	925	916	916	905
Tokio Marine	1130	1100	1100	1090
Tokyo El Pwr	2210	2120	2130	2190
Tokyo Electron	4470	4360	4390	4260
Tokyo Gas	302	294	297	294
Tokyu Corp.	553	536	536	536
Tonen	1280	1240	1240	1240
Toppan Print	1420	1400	1400	1380
Toray Ind	730	711	711	710
Toshiba	723	711	715	704
Tostem	2970	2870	2870	2940
Toyo Trust	746	738	744	738
Toyota Motor	3510	3400	3410	3360
Yamanouchi	2460	2390	2430	2360

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6220.71 — Previous: 6165.38

	High	Low	Close	Prev.
Abitibi Price	22.15	21.95	22.15	21.95
Alberta Energy	32.20	30.35	32	30.35
Alcan Alum	47¾	46¼	47.10	46.90
Anderson Expl	17.35	16.80	17.15	16¾
Bk Montreal	50½	49.70	50¼	49.80
Bk Nova Scotia	53	52½	52.90	52.60
Barrick Gold	37.40	36.30	36.65	36¼
BCE	71.60	71.15	71.40	71.10
BC Telecomm	31	30.85	30.90	30.95
Biochem Pharm	78	78	78	74½
Bombardier B	25.55	25.35	25.35	25.40
Brascan A	30¼	30.55	30.55	30.70
Bre-X Minerals	24.90	23.10	24½	22.70
Cameco	52¾	52.15	52.15	52¼
CIBC	66.85	66¼	66¼	66.35
Cdn Natl Rail	52.90	52.10	52.80	52.20
Cdn Nat Res	35½	34.35	34.35	34.05
Cdn Occid Pet	24.10	23.45	24.10	23.40
Cdn Pacific	35.60	35.20	35.60	35.45
Cominco	38¼	38¼	38.60	38¼
Dofasco	26	25½	25¼	26.20
Domtar	11.95	11.85	11.90	11.95
Donohue A	26.30	26.15	26.30	26.15
Du Pont Cda A	32.95	32.55	32.70	32.70
Edper Group	21.35	21¼	21.35	21.35
Euronev Mng	38	37.10	37.85	37.35
Fairfax Finl	298	298	298	298
Falconbridge	30.60	30.15	30½	30¼
Fletcher Chall A	22.05	21.90	22.05	21.90
Franco Nevada	59.45	58¼	59.10	58.10
Gulf Cda Res	11	10¼	10.85	10¼
Imperial Oil	64½	64	64.40	64½
Inco	47.55	46.85	47.30	46.85
IPL Energy	40.80	40½	40.65	40.80
Laidlaw B	18.10	17.85	18.10	17.80
Loewen Group	48¾	47½	48¼	47.95
Macmill Bloel	18.10	17.90	18.10	17.90
Magna Intl A	73	71.20	73	71.35
Methanex	14.40	14.20	14.35	14.10
Moore	29¼	28.80	29.20	28.85
Newbridge Net	46	45.10	45.85	44.95
Noranda Inc	33	32.65	32.85	32.70
Norcen Energy	31	30.85	30.90	30.60
Nthern Telecom	100.80	98¼	100	98½
Nova	13.05	12.90	13.05	12.90
Onex	23.45	23.20	23.20	23.20
Pancan Petm	54¾	54.60	54¾	54.65
Petro Cda	20.55	20.45	20½	20.45
Placer Dome	28.45	27.40	28	27¾
Poco Petm	14.35	14.20	14.20	14
Potash Sask	110.45	108½	109.35	107¼
Renaissance	45.35	44½	44.55	44.80
Rio Algom	32.70	32	32.45	32¼
Rogers Cantel B	26.40	26	26	26.35
Seagram Co	56.65	55.90	56.10	56
Shell Cda A	56	55½	55.65	56¼
Stone Consold	20.55	20.35	20.55	20.40
Suncor	60	59.85	59½	59
Talisman Eny	46.90	45.60	46.30	45.15
Teck B	31	30.80	30.95	30.85
Teleglobe	42¼	41½	41.90	41¾
Telus	21.30	21.15	21.30	21.15
Thomson	28.15	27.95	28.05	27.95
TorDom Bank	39.95	39.30	39.85	39.35
Transalta	16.80	16.65	16¾	16.70
TransCda Pipe	25.70	25.40	25.65	25.45
Trimark Finl	45.30	44.55	45	44.60
Trizec Hahn	33.15	32.45	32.45	33
TVX Gold	10.55	10.30	10.35	10.35
Westcoast Eny	24.95	24.85	24.85	24.85
Weston	74.95	74¼	74.70	74.95

Vienna
ATX index: 1212.03 — Previous: 1208.49

	High	Low	Close	Prev.
BBAG	775	721	755.20	780
Boehler-Uddeh	829	811	821.50	811
Brau-Un Goess	678	670.05	675	680
Creditanst Pfd	426	419.60	421	421.95
EA-Generali	3445	3390	3405	3405
EVN	1737	1718	1729	1729.90
Flughafen Wien	581	568.10	566	570
Mayr-Melnhof	620	615	615	613.10
OMV	1404.30	1388	1394.90	1391
Oest Elektriz	875	870.10	872.70	872.10
Radex-Hera	411	405	410	402
VA Stahl	447.50	443.50	446	441.10
VA Tech	1836.50	1799	1814	1803
Wienerberg Bau	2151	2123	2145	2123
Wolford	1460	1440	1449	1440

Wellington
NZSE-40 index: 2339.15 — Previous: 2326.37

	High	Low	Close	Prev.
Air N Zeald B	3.81	3.80	3.80	3.80
Brierly Invt	1.36	1.35	1.36	1.34
Carter Holt ord	3.30	3.27	3.30	3.29
Fletch Ch Bldg	4.65	4.58	4.65	4.57
Fletch Ch Eny	4.10	4.05	4.10	4.05
Fletch Ch Forst	2.15	2.11	2.15	2.11
Fletch Ch Paper	2.83	2.79	2.82	2.83
Lion Nathan	3.60	3.57	3.60	3.65
Telecom NZ	7.04	6.99	7.02	6.98
Wilson Horton	11.20	11.20	11.20	11.30

Zurich
SPI index: 2824.34 — Previous: 2826.29

	High	Low	Close	Prev.
ABB B	1854	1810	1829	1845
Adecco B	441	435	441	435.50
Alusuisse R	1184	1157	1157	1177
Ares-Serono B	1530	1490	1500	1505
Alel R	850	841	841	857
Baloise Hdg R	2945	2890	2900	2915
BK Vision	836	818	825	830
Clariant R	680	668	674	675
Crd Suisse Gp R	150.50	148.25	149.25	149.75
Elektrowatt B	540	538	540	539
Ems-Chemie	5675	5590	5625	5600
ESEC Hdg	4700	4560	4615	4600
Holderbank B	1086	1076	1083	1080
Nestlé R	1627	1606	1612	1615
Novartis R	1750	1734	1740	1742
Pargesa Hld B	1520	1500	1500	1500
PharmVisn B	748	737	741	744
Richemont A	2060	2040	2055	2020
Roche Hdg PC	12695	12465	12470	12470
SBC R	276.50	270.50	274	274.50
SGS B	3360	3280	3290	3350
SMH B	954	938	938	953
Sulzer R	988	970	978	971
Swiss Reins R	1478	1461	1461	1468
Swissair R	1337	1312	1335	1340
UBS B	1285	1265	1277	1275
Winterthur R	875	862	872	865
Zurich Assur R	430.50	423.50	427	428

NYSE

Thursday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.

The Associated Press.

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THE WORLD'S DAILY NEWSPAPER

Continued on Page 18

Thais Battle Baht Speculators

Central Bank Chief Vows to Keep Interest Rates High

Compiled by Our Staff From Dispatches

BANGKOK — Thailand's central bank chief vowed Thursday to battle traders speculating against the baht as a lack of confidence in the currency battered the country's stock market.

The governor of the Bank of Thailand, Rerngchai Marakanonda, said that authorities would maintain high short-term interest rates "to make speculation less attractive, more expensive."

Reinforcing official efforts to shore up the baht, Finance Minister Amnuay Viravan retreated Thursday from his call for lower interest rates, saying easier credit alone would not solve "fundamental" economic problems.

Benchmark borrowing costs are near five-year highs because the central bank is trying to fend off an attack on the baht, which some traders say may be devalued. Mr. Amnuay has repeatedly denied the government will devalue the currency.

"If interest rates are allowed to come down, money will start leaving," said Todd Martin, banking analyst in Bangkok for SBC Warburg.

Thai share prices fell 3.4 percent Thursday, with the index ending 24.51 points lower at 698.06, a 56-month closing low, on concern over the weak baht, foreign currency debt and financial institutions, analysts said.

Banks, such as Thai Farmers Bank, and construction issues led the decline as companies have suffered from bad loans in the troubled property sector. Farmers Bank also announced that it was increasing its bad-loan provisions.

Dealers cited a recent Goldman, Sachs report predicting the baht would be devalued within six months as the basis for the fresh pessimism on the currency, despite repeated official denials of devaluation plans.

"The baht devaluation rumor is the most damaging," an Asia Credit analyst said.

Mr. Amnuay said the baht would not be on the official agenda of the two-day 32d Southeast Asian Central Bank Governors' meeting, which started here Thursday.

But he said Mr. Rerngchai would discuss the issue with Lee Ek Tieng, managing director of the Monetary Authority of Singapore, the de facto central bank, over the next few days.

Mr. Rerngchai said he believed an improving economic outlook and cuts in government spending announced this week would help support the currency.

Government and state-enterprise budget cuts amounting to 99 billion baht ($3.82 billion), approved by the cabinet Tuesday, would have the effect of reducing speculative interest in the baht, he said.

In Singapore trading, the dollar closed at 26 baht, up from 25.99 baht on Wednesday.

The central bank has kept the rate near 25 baht for more than a decade. *(AFP, Bloomberg, Reuters)*

Asian Bankers Question Monetary Policy

Compiled by Our Staff From Dispatches

BANGKOK — Central bank governors from 15 Asian countries sounded a rare note of doubt Thursday on the usefulness of monetary policy to cure economic ills.

But the delegates to the 32d annual conference of Southeast Asian Central Banks also asserted their financial strength, touting economic growth figures that far outstripped the global average.

In his opening address of the two-day meeting, Finance Minister Amnuay Viravan of Thailand, whose country is seeing a decade of booming economic growth falter on a huge current-account deficit and plunging stock market, warned of overreliance on monetary policy.

"Reliance on monetary policy alone to address fundamental weakness in the real economy will usually not be effective and may, due to their pervasive effect, cause more harm than good," he said.

Despite economic ills, however, Asian countries managed to achieve average economic growth of around 7 percent in 1996, compared to a world average of 3.8 percent, Mr. Amnuay said. The conference countries have accumulated as much as one-fifth of the world's reserves of foreign currency — $250 billion — in all, Mr. Amnuay said. *(AP, AFP)*

POSCO to Acquire Units of Sammi Steel

Bloomberg News

SEOUL — Pohang Iron & Steel Co., the world's second-largest steel producer after Nippon Steel Corp. of Japan, agreed Thursday to buy several businesses from debt-ridden Sammi Steel Co. for 719.4 billion won ($827.5 million).

The purchase closed a remarkable six-year chapter for Sammi, a South Korean specialty steelmaker that profited at home but expanded overseas beyond its means, racking up more than $1.2 billion in debt.

Sammi accepted the offer after a two-hour meeting with POSCO officials chaired by Sammi's chairman, Kim Hyun Bae. Sammi had earlier refused the offer, demanding 1.139 trillion won for the businesses, a 55 percent premium above POSCO's bid.

"Our management eventually decided to accept Pohang's offer," a Sammi spokesman said. He did not explain the sudden change of heart.

A POSCO spokesman said the company signed a preliminary contract to buy the businesses from Sammi. The final contract is to be signed Monday. It values Sammi's assets, including plant and equipment, at 619.4 billion won and adds a 100 billion-won technology-transfer payment.

Sammi shares fell 130 won Thursday to 4,450. POSCO rose 600 won to close at 43,800.

Under terms of the deal, POSCO will buy Sammi's steel-bar and steel-pipe businesses, which account for half its annual sales of about $1.2 billion. POSCO may also buy Sammi's North American subsidiaries, which contribute a third of the company's sales.

"We are still negotiating terms for Sammi's North American subsidiaries," the POSCO spokesman said.

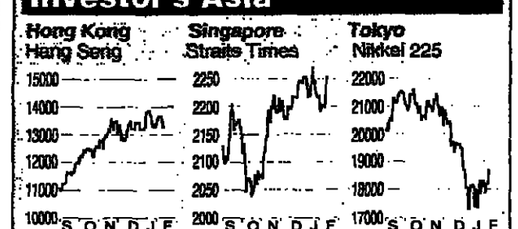
Sammi has offered to sell Sammi Atlas Inc., its Canadian subsidiary with plants in Ontario and Quebec, and U.S.-based Sammi Altech Specialty Steel Corp., with facilities in the state of New York. Sammi said it intended to keep its stainless-steel production line.

While the sale will reduce Sammi's debt problem, analysts said it would undermine the long-term profitability of its parent, the Sammi group, now South Korea's 27th-biggest *chaebol*, or industrial group. Sammi Steel accounted for about 70 percent of the group's total sales last year.

POSCO is one of the world's most profitable steel producers, combining top quality with low production costs. The company earned $1.16 billion in net profit in 1995. Net profit in the first six months of last year rose 16.4 percent to 385.8 billion won.

The Sammi deal increases the odds that state-controlled POSCO will be asked by the government to take over Hanbo Steel & General Construction Co., Korea's second-biggest steel producer behind POSCO. Hanbo collapsed last month under $6 billion of debt. POSCO has agreed to manage Hanbo's facilities until a buyer can be found.

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,239.95	13,462.61	-1.65
Singapore	Straits Times	2,254.68	2,224.64	+1.35
Sydney	All Ordinaries	2,496.40	2,473.50	+0.93
Tokyo	Nikkei 225	18,588.06	18,410.96	+1.51
Kuala Lumpur	Composite	1,259.10	1,254.42	+0.37
Bangkok	SET	698.06	722.57	-3.39
Seoul	Composite Index	716.71	712.50	+0.59
Taipei	Stock Market Index	7,536.28	7,424.10	+1.51
Manila	PSE	3,335.73	3,339.83	-0.12
Jakarta	Composite Index	707.37	701.05	+0.90
Wellington	NZSE-40	2,339.15	2,326.27	+0.55
Bombay	Sensitive Index	3,492.65	3,483.48	+0.26

Source: Telekurs International Herald Tribune

Very briefly:

• **The South Korean won**, which is not yet fully convertible, fell to a seven-year low against the dollar despite intervention by the central bank. The dollar rose to 875 won from 870. Stocks, meanwhile, rose to a ten-week high as investors bet memory-chip prices would rise; the Korea composite index rose 4.21 points, to 716.71.

• **The Korean Confederation of Trade Unions** has decided to postpone strikes until after it sees how Parliament handles the revision of a controversial new labor law. The outlawed confederation said it would go on strike Feb. 24 if the revision of the law was not acceptable.

• **Taiwan** has ended a 25-year ban on imports of Japanese cars. The Board of Foreign Trade will let nine Japanese carmakers ship a total of 7,700 units to the island this year.

• **NEC Corp.** has unveiled the world's smallest liquid-crystal display digital camera that allows pictures to be viewed on a monitor and operates on standard AA batteries. The 185-gram (6.6 ounce) Picona stores 35 pictures on its memory card and is compatible with most World Wide Web browsers. It is priced at 69,800 yen ($564).

• **Nippon Credit Bank Ltd.** shares surged 31 yen, or 15 percent, to 235 yen after a senior official from Japan's ruling Liberal Democratic Party called on the government to consider guaranteeing the bank's debentures. The shares had plunged recently on speculation that the smallest of Japan's three long-term credit banks would be unable to pay off its debts.

• **Singapore** stocks rose to a seven-month high, led by **Singapore Telecommunications Ltd.**, as foreign investors bid up shares on expectations of strong economic growth. The 30-stock Straits Times industrials index rose 30.04 points, to 2,254.68.

• **China** overtook **South Korea** as the second-largest market in Asia for personal computers after Japan. **International Data Corp.** said PC sales in China rose 39 percent, to 2.12 million units. PC sales also rose 39 percent in Japan, to 8.10 million.

• **Australia** created 38,400 new jobs in January, the strongest rise in 14 months, but the unemployment rate remained unchanged, at 8.6 percent. *Bloomberg, AFP, Reuters*

PILOTS: *A Risk for American Airlines Personnel in Stable Times*

Continued from Page 13

American's fleet. In response, Robert Crandall, the airline's chairman, erupted at a meeting with Wall Street analysts.

"If the pilots were in charge, Columbus would still be in port," he said. "They believe the assertion that the world is flat."

In fact, pilots believe they are a key part of the airline's success and should therefore share in the fruits, reflected in American's $854 million profit last year. They also want to make up for losses to inflation as their wages have held steady.

American officials say the pilots have already benefited, noting that over the last six years, the company has shared $136 million in profit-sharing with pilots, exactly the same total return to all its public shareholders over the same period.

Separately, the pilots have signaled that they value higher wages over more stock options. This is also a point of contention at United Airlines, where pilots and other employees traded wages and other concessions to buy a majority of the company's stock in 1994.

But now that United pilots own the shares, which have more than doubled in value, they also want big wage increases in order to share more immediately in the record profits.

"The entire fixed-wage system," Mr. Blasi said, "is in the process of collapse as companies attempt to link pay to performance for their CEOs and for rank-and-file workers alike."

American pilots say they are also concerned that the airline is trying to use lower-paid pilots in some of their jobs.

American wants to place so-called regional jets into its American Eagle commuter fleet, a move that would match changes by competitors who have replaced turboprops with the small jets that many travelers prefer.

The pilots say such a move will shift more flying and jobs to American Eagle, where pilots are represented by another union. But this is an emotional issue for the pilots, a group of whom use the phrase "Defending the Profession" to convey their belief that they are better trained to fly the jets than the commuter pilots.

Until last month, such emotions were considered little more than background tension at the airline, as a strike at American was considered by most industry experts a remote possibility.

In November, the leaders of the union, the Allied Pilots Association, reached an agreement that called for a 5 percent wage increase over four years and 5.75 million stock options to be distributed among the 9,200 pilots at American.

That agreement was immediately followed by American's trumpeting of a huge order for more than 100 new Boeing jets. The airline, however, made that order contingent upon a unanimous vote by the pilots in favor of the agreement.

But in early January, the union members showed their distaste for the labor contract by voting it down. Last week, the pilots announced their new demands: an 11 percent raise spread over four years and 7.25 million stock options, as well as their insistence that all jet flying be done by American pilots.

American's managers say those demands are unreasonable because such a contract would make the airline's cost structure uncompetitive. The airline adds that its pilots are among the highest paid in the industry: A pilot who started a 30-year career at American last year can expect to earn $125,000 a year, on average, in 1996 dollars.

But for the pilots, the issue is not how much they are paid, but the trend line of shrinking wages while the airline's profits rise. Such differing perceptions lead at times to a sense that the two sides are speaking a different language.

In an article for members of the Allied Pilots Association published last March, the union wrote: "Last year, AMR's CEO and its new president assured APA that American's pilots could have whatever kind of contract we wanted, and they would simply adjust the airline's business plan to fit.

"This approach raised a lot of hope among our group — the logic behind it is inescapable, especially since AA pilots' compensation represents less than 10 percent of American's total expenses."

A spokesman for American said it did tell the pilots that they could have whatever contract they wanted, but with a big caveat: they would have to live with a shrinking airline.

Zinc Deal Falters Again

Bloomberg News

MOUNT ISA, Australia — Century Zinc Ltd. and aboriginal groups failed to meet a midnight deadline for an agreement on the company's proposed development of the world's largest untapped zinc deposit.

The mine project, which has been valued at 1.1 billion Australian dollars ($831 million) and is located in the northwestern part of Australia's Queensland state, has been delayed for two and a half years by negotiations with aboriginal communities around the mine. Rick Farley, the Australian Native Title Tribunal's mediator for the talks between Century Zinc, the state government and the aboriginal groups, said some of the aboriginal claimants had decided to meet Friday morning for more discussions of the offer made by the company and the government.

Mr. Farley said the company would withdraw a compensation package of 60 million Australian dollars that it had been offering.

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF

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COMMENCING AT 9.00 A.M.

The meeting will have the following agenda:
(1) Election of a Chairman of the Meeting.
(2) Election of a Secretary to the Meeting.
(3) The Directors'/Managers' report.
(4) Presentation of the accounts to 30th June 1996 with the auditors' report.
(5) Discharge to the Directors and the Managers.
(6) Election of Directors.
(7) Discharge to the Auditors.
(8) Election of new Auditors, Abacab Sarl Luxembourg, Member of DFK International.
(9) Approval of the remuneration of the Directors and the Auditors.

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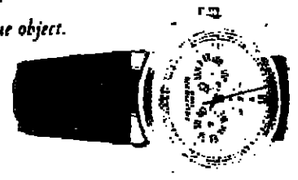

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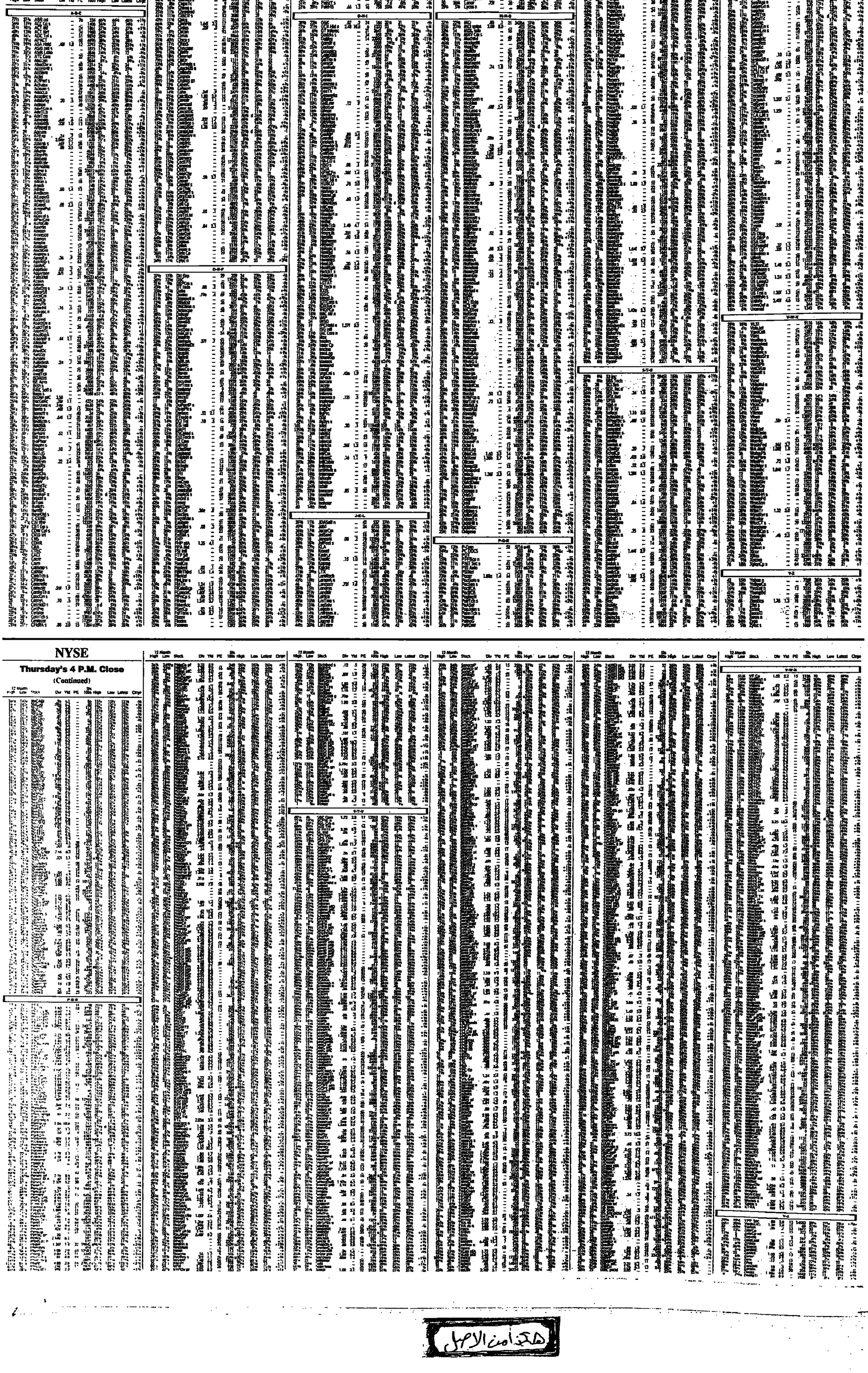
The Associated Press.



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Herald International Tribune
SPORTS
PAGE 20 FRIDAY, FEBRUARY 14, 1997

WORLD ROUNDUP

Wiberg Misses Out

SKIING High winds Thursday forced the postponement of the downhill run of the women's combined event at the World Championships in Sestriere, Italy. But when it is skied Friday, Pernilla Wiberg, the defending champion, will not be there. She straddled a gate on the first of the combined event's two slalom runs Thursday and was eliminated. *(AFP, AP)*

Becker Fights Back

TENNIS Boris Becker came from 1-4 down to win the first set in a tiebreaker on his way to a 7-6 (9-7), 6-1 victory over Sandon Stolle of Australia on Thursday in the Dubai Open. Richard Krajicek, Goran Ivanisevic and Wayne Ferreira also reached the quarterfinals.

• Andre Agassi struggled in his first match on the tour since November, before beating Bahamian Mark Knowles, 6-4 4-6 6-2, in the first round of the Sybase Open. *(AFP, AP)*

Kluivert Picks Milan

SOCCER Patrick Kluivert, the Dutch striker, said Thursday that he would move from Ajax to AC Milan after the season. Kluivert, whose contract ends this summer, said he would sign a four-year contract with the Italian team. *(Reuters)*

Douglas Wins Easily

BOXING Buster Douglas, the former world heavyweight champion, easily outpointed Dickie Ryan in his third comeback fight. *(AP)*

Cowboy Sues Police

FOOTBALL The Dallas Cowboys lineman Erik Williams, falsely named in a rape case with his teammate Michael Irvin, has sued the police and a television station in two lawsuits. *(AP)*

Prost Will Own Team

FORMULA ONE Alain Prost, who won the world drivers' championship four times, has reached an agreement to take over the Ligier team Peugeot, the French car manufacturer said Thursday. *(Reuters)*

England Outfoxed By Favorite Italian

By Rob Hughes
International Herald Tribune

England lost the game and the plot when it was beaten 1-0 by Italy in a crucial World Cup qualifying match at Wembley Stadium.

A spy within outwitted England. Gianfranco Zola, the imp who has become Prime Minister John Major's favorite player since joining Chelsea four months ago, scored the goal after 18 minutes.

Zola exploited his knowledge of Englishmen, specifically his relish of darting between lumbering defenders. He is a pimpernel in blue, an elusive mover the English cannot trap.

So when Alessandro Costacurta lobbed the ball forward, Zola scampered behind Stuart Pearce. Pearce is a practicing coach as well as a 73-times capped defender, yet he took his eye off Zola.

Sol Campbell, a big but inexperienced Londoner, realized a fraction too late how grave the danger was. As Zola deftly controlled the ball with his left foot, then shot strongly with his right, Campbell lunged. The ball deviated slightly off Campbell's boot, but goalie Ian Walker was in any case badly positioned to prevent the goal at his near post. Ecstasy for Italy, despair for England, excuses for the goalkeeper.

He was told barely 10 hours before kickoff to prepare for his first international start. First-choice keeper David Seaman was nursing a sore knee, but Walker was also hiding an injury. He needed injections of cortisone and painkiller into an inflamed left shoulder. Apparently Walker tried to conceal the injury for weeks before his club, Tottenham Hotspur, asked why he had tried to save a shot with his right rather than left hand.

That goal, almost a month ago, was scored by Roberto di Matteo, so Italy knew England's little secret. Indeed, it knew a lot of English secrets.

"I was surprised but pleased when they played Matthew Le Tissier," said Costacurta. "Somebody like Ian Wright would have made it far more difficult for me. Luckily, Wright is bottom of coach Glenn Hoddle's list."

Wright's pace and Les Ferdinand's might were withheld until late in the game while England attempted to outfox Italy with unfamiliar players and tactics. By then, Italy was master of the game, undeniably more cohesive, more composed, more skilled.

"If they played Ferdinand from the start it would have given us more problems," said Zola.

It made an old man very happy. Cesare Maldini, 65, had trained Italy's Under 21 team for 10 years but never, until Wednesday, taken charge of the real Azzurri. He works by consulting senior players, particularly his son Paolo, the team captain.

England tried to be too clever. Hoddle did not rehearse his lineup, trying to bemuse Italy by laying false trails and keeping secret even from his own players the style and personnel of the selection.

"Such ploys went out of fashion in Italy 15 to 20 years ago," said Maldini. "These days in every corner of the world there is a TV set, and we know *all* the English players, their defects and capabilities."

Hoddle fooled nobody. On Thursday, England's Football Association started a hunt to find the "mole" who divulged the England lineup to the media on Tuesday. The time would be better spent studying why Italians outsmarted, outpassed, and outperformed that team.

■ **Spain Beats Malta, 4-0**

Alfonso Perez scored twice as Spain beat Malta 4-0 in World Cup qualifying, Reuters reported from Alicante. Spain leads its group by four points from Yugoslavia.

Pedro Ugarte/Agence France-Presse
Colombia's Ivan Rene Valenciano taking to the air while Argentina's Pablo Paz goes to ground trying to tackle.

Argentina Wreaks World Cup Revenge in Colombia

Reuters

Argentina gained revenge for one of its greatest soccer humiliations when it beat Colombia 1-0 in the South American World Cup qualifiers.

Argentina, which lost 5-0 at home against Colombia in 1993, on Wednesday ended Colombia's unbeaten run in the competition and got its own campaign back on track after some poor results.

As the marathon competition — in which all the South American nations play in one group — reached the halfway mark, Paraguay rose to a tie with Colombia on points at the top of the group.

A mistake by Colombia goalkeeper Farid Mondragon allowed Claudio Lopez to score the ninth-minute goal that won the match. Mondragon thought that Lopez's innocuous-looking shot was going out of play and casually let it past him only to see it bounce into the net. "The ball had a strange spin on it," he said.

Argentine defender Eduardo Berizzo was sent off in the 45th minute for a foul. Then Colombia midfielder Mauricio Serna missed the goal altogether with a 54th minute penalty.

Shops and offices in both countries shut for the game and thousands ran onto the streets of Buenos Aires to celebrate Argentina's triumph.

Argentina's victory put it third, one point ahead of surprising Ecuador, which thrashed Uruguay, one of soccer's traditional powers, 4-0.

Paraguay 2, Peru 1 The Paraguayans took full advantage of Colombia's slip by winning at home and trail Colombia on goal difference. Aristides Rojas scored the winner two minutes before halftime. Paraguay plays five of its remaining eight games in its intimidating "Defenders of the Chaco" stadium.

Ecuador 4, Uruguay 0 While Colombia struggled, Francisco Maturana, the man who led it to the last two World Cups, coached Ecuador — yet to play in the World Cup finals — to an emphatic victory at altitude in Quito.

Three Uruguayans were ejected near the end, by which time the result had been settled.

Alex Aguinaga put Ecuador ahead from close range in the sixth minute. Two goals by Agustin Delgado in an eight-minute spell in the second half sealed the game. Substitute Kleber Chala added a fourth in the 88th minute.

Uruguay had been warned by FIFA, world soccer's governing body, after seven of its players received yellow cards against Chile last year.

Gustavo Mendez was dismissed for a violent tackle and Daniel Fonseca and Nelson Abeijon for arguing with Argentine referee Javier Castrilli — known as "Lawman" in his own country for his hard-line approach.

Bolivia 1, Chile 1 Bolivia dropped two more home points when it was held by Chile. It was Bolivia's fourth draw in six games in La Paz, where it enjoys the advantage of playing at 3,600 meters above sea level.

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Some Old Golfers Reach Heaven a Little Early

By Don Greenberg
International Herald Tribune

TAMPA, Florida — Take a job at a driving range teaching beginners. Peddle fancy shirts and trousers from an upmarket pro shop. Bore friends with stories of golfing glory days. Maybe return home to irritate the wife and spoil the grandchildren.

There used to be few options for 50-something touring golf professionals, who lost the strength, length and putting nerve. But a select few have found unprecedented golfing and financial nirvana in America on the Seniors Tour, many winning more money in one season than in 20 or more years of their "junior" careers.

The U.S. Seniors Tour is just a teenager itself. It began in 1980 with two tournaments and a total prize fund of $250,000. Today the Tour boasts 44 full-field events and a staggering $40.8 million in purses, and that doesn't include big-money special events such as skins games, senior slams, legends tournaments and competitions against the other pro tours.

Virtually every event is on U.S. television, the players are wined and dined even more lavishly than on the regular Tour and, best of all to the privileged pros who qualify for the Seniors, most events are three rounds with no 36-hole cut, meaning everyone who tees it up on Friday is guaranteed of a check come Sunday.

Each week there's a tournament within a tournament for the "super seniors," players over 60 who play the first two rounds for a separate purse of about $100,000. At most events, the seniors can cruise around in a cart, and because there's a limited field there are few crack-of-dawn starting times and no sprinting to beat the twilight.

"You could say we've died and gone to heaven, but I'm not so sure heaven would be this nice or rewarding," said Lee Trevino, who has won 27 Senior Tour events in eight seasons and earned $6.8 million, double what he won in 24 years on the regular Tour.

"We play on fantastic courses in beautiful condition for more money than I thought possible. The fans are tremendously supportive, the sponsors more than generous and there's terrific competition every week, but not quite the cut-throat atmosphere we had when we were younger."

There's a catch. The Seniors Tour is not for every pro. A few qualify automatically because of their regular-tour career earnings. Some get sponsor's exemptions. Most have to qualify in the dreaded Tour School, an annual open competition that draws more than 1,000 hopefuls but only awards fully qualified spots to eight players.

Those who fail, and they include such luminaries as Tony Jacklin, the former British and U.S. Open champion, must rely on sponsors exemptions or the nerve-wracking Monday qualifying.

This week, about 144 players paid entry fees as high at $315 and turned up at Fox Hollow Golf Club near Tampa to try for one of the four spots for the GTE Classic Open, which begins Friday at the Tournament Players Club of Tampa Bay.

"We never tell somebody they shouldn't try," said Bert Weaver, an official with the Senior Tour. "But we do wonder why so many come out. I can see 20 or 30 guys who would figure to have a chance. I suppose they all have it in their minds that the good Lord will smile on them one day."

Three former European Tour veterans who have started with Monday qualification and ended by winning the lottery-winner are Vincente Fernandez of Argentina, John Bland of South Africa and Brian Barnes of Scotland. Each has reaped career-record earnings. Bland has won four events and more than $1.5 million since September 1995. Fernandez had one victory and raked in $605,251 as a rookie last year and Barnes finished second twice in 1996, banked $538,000 and wound up 21st on the money list.

"As for why I'm doing so much better now than before, it's tough to say," said Fernandez. "I think staying in good shape and taking care of myself is one reason. And I suppose you could say I'm a late bloomer."

"I'm over the moon, enjoying myself as never before," Barnes said. "You'd be nuts not to relish every moment of this. The courses, the weather, the way the sponsors treat you and, of course, the money — I guess you call it living the American Dream."

William West/Agence France-Presse
Lucas Parsons hitting an iron shot on Thursday.

■ **Parsons Eclipses Tiger**

Lucas Parsons equaled the course record Thursday with a nine under par 64 to take the lead after the first round of the Australian Masters, Reuters reported from Melbourne. Another Australian, Peter O'Malley, was a stroke back on 65.

Tiger Woods, who won the Bangkok Classic in Thailand on Sunday, finished five under par at 68 for a share of fifth place.

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Islanders Foil Lemieux, Gain Rare Road Victory

The Associated Press

The New York Islanders win a road game about as often as Mario Lemieux goes scoreless. Both happened Wednesday night as the Islanders surprised the Pittsburgh Penguins 5-1 at Civic Arena.

Before Wednesday night, the Islanders had the fewest road wins in the NHL; five in 27 road games this season.

The Islanders not only won with relative ease, they held Lemieux without a point. It was only the ninth time in 52 games this season that the NHL's scoring leader had been blanked.

Jason Holland scored his first NHL goal and Ziggy Palffy got his 32d of the season in the Islanders' victory.

Panthers 5, Lightning 2 Robert Svehla broke a tie with the first of three third-period goals for Florida, which took over the lead in the Eastern Conference by beating visiting Tampa Bay.

Devils 3, Whalers 2 Dave Andreychuk scored with 3:44 left in the third period as New Jersey extended its season-high undefeated string to eight games by winning at Hartford.

Sabres 2, Canadiens 2 At Buffalo, backup goaltender Steve Shields stopped 43 shots as the Sabres blew a two-goal lead but still managed to salvage a tie with Montreal.

Canadiens goalie Jocelyn Thibault made 32 saves.

Red Wings 7, Sharks 1 Brendan Shanahan broke open a tight game with three consecutive second-period goals as Detroit beat San Jose, keeping the Sharks winless in 11 regular-season games in the Motor City.

Coyotes 5, Stars 0 Darrin Shannon scored twice as Phoenix snapped the Stars' four-game home winning streak.

Oilers 4, Bruins 3 Rem Murray scored with 4:58 left in the third period to lead Edmonton past visiting Boston.

Mighty Ducks 5, Maple Leafs 2 Guy Hebert stopped 39 shots as Anaheim defeated visiting Toronto.

Jari Kurri, Roman Oksiuta and Paul Kariya each had a goal and an assist for the Mighty Ducks, who lost four of their previous five games.

NHL ROUNDUP

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Shaq's Comeback Thwa

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Lakers Pound Minnesota

Shaq's Comeback Thwarted by Another Injury

The Associated Press

After missing two games and the All-Star game because of a mildly sprained right knee, Shaquille O'Neal made a slamming start Wednesday night when he dunked an alley-oop pass only six seconds into the Los Angeles Lakers' game at Minnesota.

But he strained his left knee a few minutes later when he became entangled with Minnesota's Dean Garrett on another lob and landed awkwardly. Following four more dunks, O'Neal left the game for good late in the first quarter with the Lakers already on course toward a 100-84 road victory.

NBA Roundup

"It doesn't look too bad," Lakers coach Del Harris said. "We just didn't want to take any chances."

Los Angeles never trailed after Robert Horry hit O'Neal for the alley-oop in the opening seconds. Elden Campbell scored 21 points and Eddie Jones had 19 for the Lakers, and Horry had 11 points and 10 rebounds. Los Angeles won for the eighth time in nine games.

Stephon Marbury returned to the Timberwolves' starting lineup after missing eight games because of a thigh bruise. He had 13 points and eight assists.

Suns 131, Celtics 100 Kevin Johnson had a triple-double by halftime and Phoenix routed short-handed Boston in a meeting of last-place teams.

Johnson finished with 22 points, 17 assists and 11 rebounds in only 34 minutes. Wesley Person hit 13 of 14 shots and scored a career-high 33 points for the host Suns.

The Celtics, with just 10 healthy players, lost their fourth in a row. They trailed 106-66 with 1:30 left, but then the Suns started using all their bench players.

Grizzlies 106, Spurs 101 Vancouver won a season series for the first time in its two-year history, led by Bryant Reeves's 31 points.

The Grizzlies have the worst record in the league at 10-43, but have won three of four against San Antonio. Earlier in the day, the injury-depleted Spurs found out that two-time All-Star Sean Elliott might miss the rest of the season because of tendinitis in his right knee.

Vernon Maxwell made all five of his 3-point shots for the host Spurs and became the fifth player in NBA history to hit 1,000 career 3-pointers.

Pistons 96, Magic 87 Grant Hill posted his fifth triple-double of the season, including four in the last month, and helped Detroit beat visiting Orlando.

Hill had 31 points, 10 rebounds and 10 assists. He had consecutive three-point plays, highlighting a 13-2 run in the third quarter as the Pistons overcame a 54-50 deficit.

Penny Hardaway scored 16 points for the Magic, but shot just 3-for-15 and fouled out.

Hornets 113, Nets 100 Vlade Divac blocked a team-record 12 shots as Charlotte stopped visiting New Jersey.

Divac set a career-high for blocks. He also had 18 points and nine rebounds.

Glen Rice scored 27 points for the Hornets, and Muggsy Bogues had 16 points and a season-high 15 assists.

Shawn Bradley, the 7-foot-6 center for the Nets, blocked one shot and increased his league-leading total to 151.

Cavaliers 83, Pacers 75 Terrell Brandon had 22 points, a career-high 12 rebounds and nine assists as Cleveland won at Indiana.

Chris Mills had 17 points for the Cavaliers. Reggie Miller scored 22, and Rik Smits had 17 for Indiana.

Hawks 106, Raptors 84 Jon Barry hit three 3-pointers during a 25-0 run in the fourth quarter, putting Atlanta on course for its 20th straight home win.

Dikembe Mutombo had 22 points and 11 rebounds for the Hawks.

Toronto, which lost its fifth in a row on the road, led 64-63 with 2:45 left in the third period.

Atlanta responded with a 33-4 burst, including the 25-0 run led by Mookie Blaylock's seven points. Blaylock had 19 points, 11 assists and eight rebounds.

■ Blaylock Faces Marijuana Charge

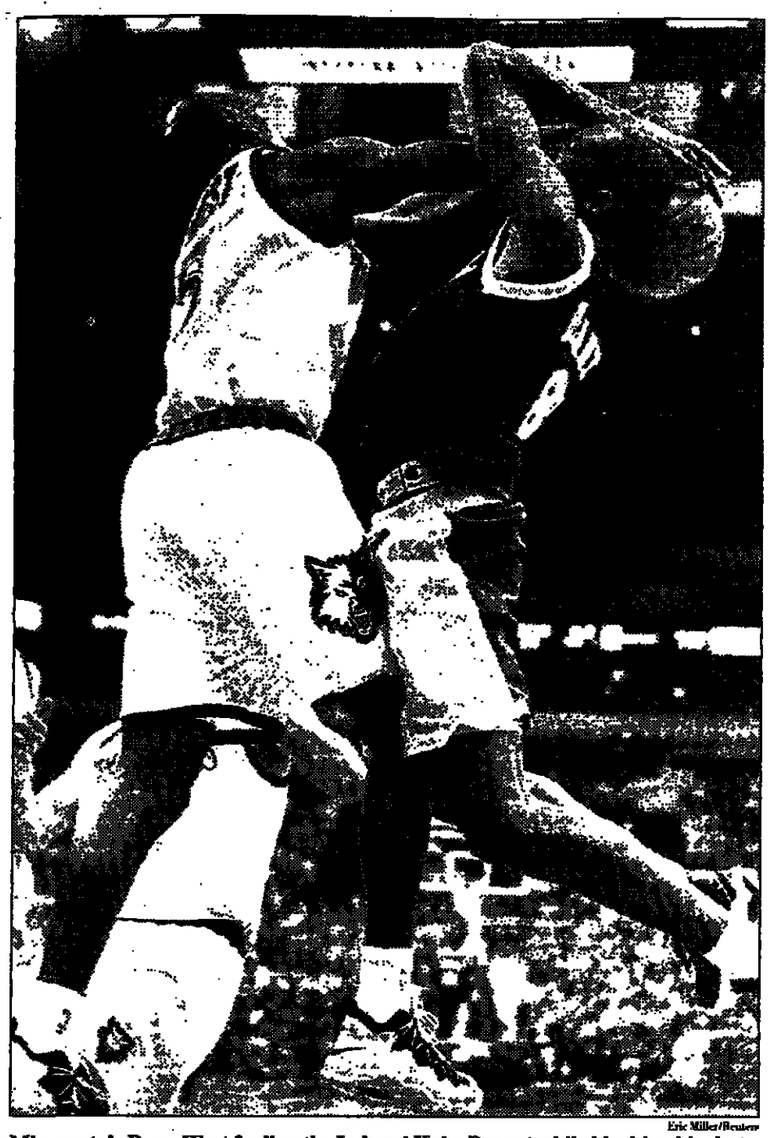
The Atlanta guard Mookie Blaylock was charged with marijuana possession in Vancouver, British Columbia, while still on probation for a similar charge in Georgia. But it is unlikely the new charge will have any repercussions here, a prosecutor said.

Seargent Willy Laurie of the Royal Canadian Mounted Police said Blaylock was arrested for carrying about two ounces of marijuana on Feb. 1 as the Hawks prepared to board a plane from Vancouver to Phoenix.

He was ordered to return for a court appearance May 14, Seargent Laurie told The Atlanta Journal-Constitution.

Blaylock had been sentenced to a year's probation Feb. 8, 1996, in suburban Cobb County for a 1995 arrest on marijuana possession and drunken driving charges.

The Canadian arrest is not likely to have repercussions because Cobb County authorities did not find out about it until after the Georgia probation had expired, said Ben Smith, a Cobb county prosecutor.



Eric Miller/Reuters

Minnesota's Doug West fouling the Lakers' Kobe Bryant while blocking his shot.

Kentucky Victory Narrows SEC Gap

The Associated Press

South Carolina lost its unbeaten record in the Southeastern Conference while Kentucky, the reigning NCAA champion, won to close the gap in the race for the conference title.

After the No. 12 Gamecocks lost, 77-74, to Georgia on Wednesday, and the No. 4 Wildcats won, 84-48, over LSU, the gap between the two teams shrunk to 1½ games.

South Carolina (17-6) is 11-1 in the SEC, while Kentucky (23-3) is 9-2 in the conference. The Gamecocks play three of their next four games on the road.

College Basketball

Ray Harrison scored 23 points and sparked a late 13-0 run that helped Georgia (18-5, 7-4) snap South Carolina's 12-game winning streak.

Kentucky rolled over LSU (9-16, 2-10) behind the sharpshooting of Anthony Epps, who scored all of his career-high 18 points on 3-pointers.

No. 1 Kansas 104, Oklahoma St. 72 At Lawrence, Raef LaFrentz had a 14-0 run to start the second half as Kansas stretched its home winning streak to 41. The Jayhawks (24-1, 10-1 Big 12) hit seven of their first 10 shots at the start of each half and were never threatened by the outmanned Cowboys (12-11, 4-7).

No. 2 Wake Forest 55, No. 7 Clemson 49 At Winston-Salem, Tim Duncan had 18 points and 16 rebounds, and Wake Forest held Clemson (19-5, 7-4 Atlantic Coast Conference) to one field goal in a span of 18 minutes.

Wake Forest (20-2, 9-2) guaranteed its school-record fifth consecutive 20-victory season.

No. 3 Minnesota 70, Purdue 67 Minnesota survived a late charge to snap a 14-game losing streak at Purdue's Mackey Arena. Sam Jacobson and Bobby Jackson each scored 13 points for Minnesota (21-2, 10-1 Big Ten), which led by 13 points in the second half before Purdue (13-9, 8-4) rallied.

Oklahoma 91, No. 15 Colorado 66 Nate Erdmann scored 31 points to outduel Chauncey Billups, and Oklahoma used a strong first half to beat visiting Colorado.

The Sooners (14-7, 6-5 Big 12) won their eighth in a row over Colorado (17-6, 8-3).

Pittsburgh 95, No. 18 Villanova 89 At Pittsburgh, Jason Maile scored 40 points, the most by a Pitt player in 40 years, and the Panthers shot 71 percent during a 60-point second half to upset Villanova. Maile scored 28 points after halftime as Pitt (13-11, 7-6 Big East) went on a 21-3 run to take the lead. Alvin Williams scored 27 points for Villanova (17-7, 8-5), which has lost four of seven.

Wisconsin 62, No. 20 Illinois 45 At Madison, Sam Okey scored 16 points and Wisconsin kept Illinois without a field goal for a 13-minute stretch in the second half. Okey scored eight points in a 21-0 second-half run for Wisconsin (14-7, 7-5 Big Ten). The Badgers have won five of six games to move into a fifth-place tie with the Illini (17-7, 7-5).

No. 9 Iowa St. 87, Missouri 59 Dedric Willoughby scored 22 of his 29 points in the first half, and Iowa State (17-4, 8-3 Big 12) used an 18-1 run in the middle of the game to beat visiting Missouri. Willoughby made all five of his 3-point shots in the first half and finished 6-for-8.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	37	12	.755	—
New York	35	14	.714	2
Orlando	24	22	.522	11½
Washington	22	26	.458	14½
New Jersey	14	34	.292	22½
Philadelphia	12	35	.255	24
Boston	11	37	.229	25½

CENTRAL DIVISION

	W	L	Pct	GB
Chicago	43	6	.878	—
Detroit	35	13	.729	7½
Atlanta	32	15	.681	10
Charlotte	30	20	.600	13½
Cleveland	27	22	.551	16
Indiana	23	24	.489	19
Milwaukee	22	26	.458	20½
Toronto	17	31	.354	25½

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Utah	34	14	.708	—
Houston	33	16	.673	1½
Minnesota	23	26	.469	11½
Dallas	16	29	.356	16½
Denver	16	33	.327	18½
San Antonio	12	35	.255	21½
Vancouver	10	43	.189	26½

PACIFIC DIVISION

	W	L	Pct	GB
L.A. Lakers	36	13	.735	—
Seattle	33	15	.688	2½
Portland	26	23	.531	10
L.A. Clippers	20	25	.444	14
Sacramento	21	29	.420	15½
Golden State	17	29	.370	17½
Phoenix	18	32	.360	18½

WEDNESDAY'S RESULTS

New Jersey 27 26 27 26—106
Charlotte 24 25 31 33—113

N.J.: Gill 8-20 10-13 26, Kittles 9-18 2-3 23, C: Rice 10-16 6-6 27, Mason 8-12 5-6 21. Rebounds—New Jersey 51 (Williams 11), Charlotte 57 (Mason 18). Assists—New Jersey 21 (Gill, Kittles 6), Charlotte 33 (Bogues 15).

Toronto 19 24 23 18— 84
Atlanta 27 26 18 35—106

T: Williams 4-8 5-6 15, Stoudamire 5-11 0-0 15, Conoby 6-13 2-2 14, A: Mutombo 7-11 8-12 22, Lantner 8-14 3-4 19, Blaylock 7-13 4-4 19. Rebounds—Toronto 60 (Ruder 7), Atlanta 51 (Lantner 12). Assists—Toronto 13 (Stoudamire 3), Atlanta 24 (Blaylock 11).

Cleveland 24 18 21 20—83
Indiana 21 25 13 16—75

C: Brandon 9-20 4-5 22, Mills 8-12 1-1 17; I: Miller 7-14 4-4 22, Smits 8-17 1-2 17. Rebounds—Cleveland 62 (Brandon 12), Indiana 37 (Smits 7). Assists—Cleveland 19 (Brandon 9), Indiana 16 (Best 6).

Orlando 22 21 26 18—87
Detroit 24 22 25 25—96

O: Anderson 7-13 3-4 20, Grant 8-15 1-1 17, D: Hill 11-19 9-12 31, Dumars 8-14 0-0 21. Rebounds—Orlando 34 (Grant 8), Detroit 55 (Hill 10). Assists—Orlando 20 (Seikaly 5), Detroit 21 (Hill 10).

L.A. Lakers 29 29 24 18—100
Minnesota 24 22 26 14— 84

L.A.: Campbell 9-19 3-3 21, Jones 8-16 2-2 19; M: Garnett 7-14 2-4 17, Gugliotta 4-17 8-9 16. Rebounds—Los Angeles 57 (Horry 10), Minnesota 58 (Garnett 10). Assists—Los Angeles 23 (Horry 8), Minnesota 19 (Marbury 8).

Vancouver 27 24 23 22—186
San Antonio 23 25 25 28—101

V: Reeves 9-14 13-14 31, Anthony 6-9 8-9 24; S.A. Maxwell 5-16 5-5 19, M. Williams 5-10 5-8 15. Rebounds—Vancouver 41 (Reeves 12), San Antonio 48 (Herrera 10). Assists—Vancouver 25 (Anthony 11), San Antonio 25 (Johnson, Del Negro 6).

Boston 28 17 26 29—100
Phoenix 38 36 34 23—131

B: Walker 12-28 3-6 29, Wesley 7-13 2-2 17; P: Person 13-14 7-8 33, Johnson 7-9 6-6 22. Rebounds—Boston 43 (Walker 9), Phoenix 60 (Johnson 11). Assists—Boston 24 (Fox, Wesley 7), Phoenix 33 (Johnson 17).

EuroLeague

GROUP H

Split, Croatia, 78, Efes Pilsen, Turkey 56
Barcelona, Spain, 75, Partizan Belgrade, Yugoslavia, 73

Standings: Efes Pilsen 26 points, Barcelona 23, Partizan Belgrade 23, Split 22, Kinder Bologna, Italy, 20, Bayer Leverkusen, Germany, 15.

GROUP G

Sevilla, Spain, 78, Panathinaikos, Greece 67
Pau, France 77, Ljubljana, Slovenia 71

Standings: Panathinaikos 27 points, Villeurbanne, France, 24, Ljubljana 24, Sevilla 22, Pau 21, Dynamo Moscow 17.

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Florida	28	15	13	69	161	128
Philadelphia	30	16	8	68	173	136
N.Y. Rangers	28	22	7	63	197	158
New Jersey	27	17	9	63	142	130
Washington	22	27	6	50	144	152
N.Y. Islanders	18	28	10	46	154	167
Tampa Bay	19	28	6	44	142	168

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Buffalo	29	19	9	67	159	141
Pittsburgh	30	20	5	65	206	173
Montreal	21	27	11	53	185	210
Hartford	21	26	7	49	157	177
Ottawa	18	24	12	48	151	161
Boston	20	29	7	47	160	196

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	32	21	4	68	172	143
Detroit	26	18	10	62	170	129
St. Louis	26	25	6	58	172	177
Phoenix	25	27	4	54	156	172
Chicago	21	27	8	50	143	148
Toronto	21	34	1	43	160	197

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	33	14	8	74	187	129
Edmonton	28	23	5	61	178	159
Vancouver	25	23	2	52	176	189
Anaheim	22	28	6	50	159	172
Calgary	22	28	6	50	149	163
San Jose	20	29	6	46	143	178
Los Angeles	19	31	6	44	148	191

WEDNESDAY'S RESULTS

New Jersey 1 1 1—3
Hartford 1 0 1—2

First Period: H-Ranheim 9 (Manderville) (sh). 2. N.J.-Pederson 8 (McKay, Zelepukin) (pp). **Second Period:** N.J.-Pederson 9 (Chambers, McKay) **Third Period:** H-Cassels 16 (Emerson, Sanderson) (pp). 5, N.J.-Andreychuk 21 (McKay, Daneyko) Shots on goal: N.J.- 11-7-4—22. H- 6-8-8—22. Goalies: N.J.-Brodeur. H-Burke.

N.Y. Islanders 1 2 2—5
Pittsburgh 1 0 0—1

First Period: New York, Lachance 3 (Green, McCabe) 2. P-Francis 21 (Jagr, Moran) (pp). **Second Period:** New York, Andersson 7 (Pailfly, Smolinski) 4, New York, Holland 1 (Jonsson, Wood) **Third Period:** New York, Green 14 (King, Berard) (pp). 6, New York, Pailfly 32 (Smolinski, Jonsson) Shots on goal: New York 7-15-7—29. P- 14-9-8—31. Goalies: New York, Salo. P-Lafleme.

Montreal 0 2 0 0—2
Buffalo 1 1 0 0—2

First Period: B-Audette 18 (Ward, Holzinger) **Second Period:** B-Dawe 16 (Peca, Ronan) 3, M-Malakhov 7 (Stevenson, Cullimore) 4, M-, Rucinsky 20 (Bure, Damphousse) **Third Period:** None. **Overtime:** None. Shots on goal: M- 16-14-12-3—45. B- 5-13-12-4—34. Goalies: M-Thibault. B-Shields.

Tampa Bay 1 1 0—2
Florida 1 1 3—5

First Period: T-Cross 2 (Toms, Yashorin) 2. F-Nemirovsky 3 (Murphy, Dvorak) **Second Period:** F-Wells 1 (Corkner, Podollan) 4, T-Ciccarelli 20 (Mamo, Houlder) **Third Period:** F-Svehla 10 (Niedermayer, Gusiobson) (pp). 6, F-Straka 6 (Svehla, Nemirovsky) 7, F-Dvorak 14 (Straka, Hull) (pp). Shots on goal: T- 8-5-9—22. F- 12-13-9—34. Goalies: T-Tobarocci, Schwab. Tobarocci. F-, Vanbiesbrouck.

San Jose 0 1 0—1
Detroit 1 3 3—7

First Period: D-Konstantinov 3 (Shanahan, Yzerman) **Second Period:** D-Shanahan 33 (Larionov) 3, D-Shanahan 34 (McCarty, Danderaut) 4, D-, Shanahan 35 (McCarty, Lidstrom) (pp). 5, S.J.-Tancill 3 (Friesen, Kroupa) (pp). **Third Period:** D-Konstantinov 4 (Larionov, Lidstrom) 7, D-Fedorov 21 (Konstantinov, Lidstrom) 8, D-Sandstrom 10 (Fedorov, Konstantinov) Shots on goal: S.J.- 6-13-9—28. D- 16-8-6—30. Goalies: S.J.-Flaherty. D-Osgood.

Phoenix 2 0 3—5
Dallas 0 0 0—0

First Period: Phoenix, Gartner 23 (King) 2, Phoenix, Stapleton 2 (Numminen, Gartner) (pp). **Second Period:** None. **Third Period:** Phoenix, Running 14 (Gartner, Tverdovsky) (pp). 4, Phoenix, Shannon 6 (Corkum, Tverdovsky) (pp). 5, Phoenix, Shannon 7 (Manson, Stapleton) Shots on goal: Phoenix 11-10-12—33. D- 5-10-10—25. Goalies: Phoenix, Khabibulin. D-Moog.

Boston 1 1 1—3
Edmonton 1 2 1—4

First Period: E-Marchant 11, 2. B-Bourque 12 (Oates) **Second Period:** B-T.Sweeney 3 (Tocchet, D.Sweeney) 4, E-Smyth 26 (Weight, Czerkawski) (pp). 5, E-Satan 16 (Weight, McAmmond) (pp). **Third Period:** B-Donato 20 (Moger, Stumpel) 7, E-Murray 9 (Grier, Czerkawski) Shots on goal: B- 11-12-7—30. E- 8-11-10—29. Goalies: B-Tallas. E-Joseph.

Toronto 0 1 1—2
Anaheim 2 0 3—5

First Period:—A-Miranov 9 (Ruccchin, Van Impe). 2, A-Oksiuta 6 (Kurri, Dallas) (pp). **Second Period:** T-Gilmour 12 (Berezin, Sundin) **Third Period:** A-Kariya 25. 5, A-Kurri 9 (Oksiuta, Valk) 6, T-Berezin 15 (Zettler, Murphy) 7, A-Bellows 8 (Kariya, Selanne) (pp). Shots on goal: T- 12-16-13—41. A- 12-6-19—37. Goalies: T-Potvin. A-Hebert.

SOCCER

WORLD CUP QUALIFIERS

EUROPEAN ZONE

GROUP 2

England 0, Italy 1:

Standings: England 9, Italy 9, Poland 3, Georgia 0, Moldova 0.

GROUP 6

Spain 4, Malta 0:

Standings: Spain 16 points, Yugoslavia 12, Slovakia 9, Czech Republic 4, Faroe Islands 0, Malta 0.

SOUTH AMERICAN ZONE

Ecuador 4, Uruguay 0
Bolivia 1, Chile 1, tie
Colombia 0, Argentina 1
Paraguay 2, Peru 1

Standings: 1. Colombia 17points, 2. Paraguay 17, 3. Argentina 13, 4. Ecuador 12, 5. Uruguay 10, 6. Bolivia 10, 7. Chile 9, 8. Peru 9, 9. Venezuela 1.

INTERNATIONAL FRIENDLY

Turkey 1, Finland 1

DUTCH CUP

3RD ROUND

Willem II Tilburg 2, Groningen 0
PSV Eindhoven 2, AZ Alkmaar 3
(2-2 after 90 minutes, AZ won with sudden-death "golden goal" in extra time)

KING'S CUP

THURSDAY, IN BANGKOK

Thailand 1, Romania 0
Sweden 1, Japan 0

Standings (after 1st round): Sweden 7 points, Thailand 5, Japan 2, Romania 1.
(Next matches: Feb. 16, 3d place — Japan vs. Romania, Final — Sweden vs. Thailand.)

TRANSITIONS

BASEBALL

MAJOR LEAGUE BASEBALL

AMERICAN LEAGUE

NEW YORK—Agreed to terms with OF Bernie Williams on 1-year contract.

NATIONAL LEAGUE

HOUSTON—Agreed to terms with P Manuel Barrios, P Ryan Creek, P Mike Grzanich, P Oscar Henriquez, P Tom Martin, P Trever Miller, P C.J. Nitkowski and P Mike Walker, INF Carlos Grullen and OF Richard Hidalgo.

NEW YORK—Agreed to terms with RHP Greg McMichael on 2-year contract and RHP Bobby Jones on a one-year contract.

SAN FRANCISCO—Acquired RHP Rene Arocha from the St. Louis Cardinals to complete the December trade for C Tom Lampkin.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

CAROLINA—Agreed to terms with RB Anthony Johnson on 3-year contract.

GREEN BAY—Signed DT Michael Thompson, DL Walter Scott, WR Eric Matthews, LB Reggie Clark, LB Dion Foax, FS Monty Grow, DE Eric Johnson, CB Buster Owens, G Andrew Peterson and TE Lowell Pickney. Waived CB Michael Robinson.

WASHINGTON—Released L Rod Stephens, SS Darryl Morrison, CB Muhammad Oliver and T Brian Thure.

COLLEGE

MISSOURI-KANSAS CITY—Suspended junior G Vinson Smith and junior F Lonnie Alexander for the rest of the season for undisclosed violations.

NORTHWESTERN—Fired Ricky Byrdsong, men's basketball coach, effective at the end of the season.

PRAIRIE VIEW—Named Greg Johnson football coach.

SACRED HEART—Announced Gary Reha, football coach, has relinquished his coaching duties to become operations manager of the athletic center.

UCLA—Announced that men's interim basketball coach Steve Lavin has been named permanent coach and signed to 4-year contract.

WISCONSIN-MILWAUKEE—Suspended G Kelvin Anderson, F Roderick Johnson and F Sean Stackhouse for violating team rules.

DENNIS THE MENACE

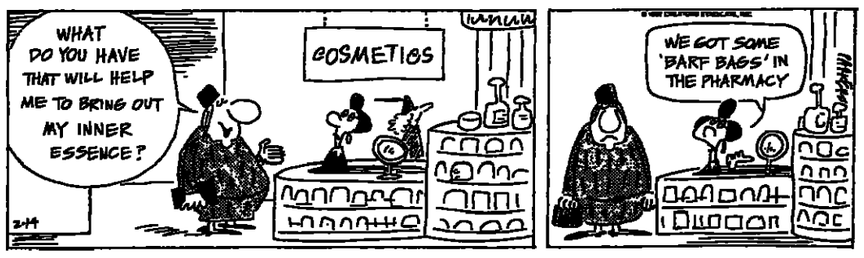
"I HAD A TURKEY SANDWICH FOR LUNCH, BUT GRANDPA THINKS I'M FULL OF BEANS!"

PEANUTS

CALVIN AND HOBBES

GARFIELD

WIZARD of ID



JUMBLE.

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

OMPET
VURGE
MEANIA
GNININ

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: AT THE "○○○○" ○○○○○ (Answers tomorrow)

Yesterday's Jumbles: NOBLE FAIRY COUPON HYBRID
Answer: What a lawyer with a hangover ends up with — THE BURDEN OF "PROOF"

BEETLE BAILEY

BLONDIE

NON SEQUITUR

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OBSERVER

Defining a Cynic

By Russell Baker

NEW YORK — After all that hoo-hah about money corrupting the recent elections, you expected the Washington crowd to plunge right in and do something about it? Of course you didn't.

That's because you are cynical. Shame!

How depressing this cynicism is to Congress. It depresses the president too. He worries about "this toxic atmosphere of cynicism."

And yet —

While deploring cynicism it is all very well to put on a pious face, but it can't hurt to ponder Ambrose Bierce's definition of a cynic in his "Devil's Dictionary":

"Cynic — a blackguard whose faulty vision sees things as they are, not as they ought to be."

□

In the world as it ought to be, Congress and Clinton would already be perspiring heavily in the struggle to save our political system from destruction by the high price of TV political ads.

At the end of that squalid 1996 presidential campaign, politicians and press spoke of little else but the urgency of saving the democratic system from smothering in money.

Meanwhile, back at the world as it is, what is the first order of Washington business? A constitutional amendment to require perpetual balance in the federal budget.

All sides had a dandy political dust-up just two years ago with this one. There has been powerful political catnip in the words "balanced budget" ever since Ross Perot disclosed that millions think balancing the budget will pull us back from the brink of destruction, and everybody, especially Republicans, wanted a colorful way — a constitutional amendment, by George! — to display their devotion to the cause.

Without arguing the merits of the balanced-budget amendment, one point is obvious. A Congress that needs a constitutional amendment to stop its own wanton spending of tax money must also be powerless to stop its own wanton campaign spending by passing a mere law.

Well, the trick here, ladies and gents, is to stay entertained. Staying entertained by politics helps stave off cynical thoughts.

The entertainment lies in Congress' hatred of its own powers, the very powers embedded in the Constitution it now wants to amend in order to weaken itself.

Think of Congress as a human sunk in incurable vice — alcohol, narcotics, sexual lust, serial murder. It simply cannot stop itself from spending and spending again. It can balance the budget by voting against this and that, but it cannot bear to cast such votes, because folks back home want the budget balanced, but not at their expense.

So Congress votes to spend and scrawls desperate pleas to the police: "Stop me before I spend again." The balanced-budget amendment is one such plea. Maybe the Constitution will stop this terrible addiction.

Congress' power to control spending derives from the British House of Commons, which fought a civil war to win it from kings in the 17th century. Now Congress is busy trying to give it back. Why should it cost so much to keep re-electing such a meek litter of pussycats?

New York Times Service

Dr. Seuss' Cat in the Hat Finally Goes to Market

By Dinitia Smith
New York Times Service

Yertle the Turtle
And Horton Hears Who
On T-shirts, in movies,
And on TV too.
They're coming to theme parks,
They never can rest
Till they're bigger than big
And better than best.

NEW YORK — Yes, the empire of Dr. Seuss, the fabled writer of children's books that have sold more than 100 million copies worldwide, a man who hated all forms of commercial exploitation of his work, is finally being franchised.

"The Wubbulous World of Dr. Seuss" is on Nickelodeon. Esprit clothing is expanding a Dr. Seuss line that runs from hats to boxer shorts. Universal City in Orlando, Florida, is building a 25-acre theme park based on Seuss characters, Steven Spielberg is developing a movie based on "The Cat in the Hat" and Dr. Seuss Enterprises, represented by the talent agency ICM, is negotiating with producers to make two Broadway shows from Seuss books.

Random House
Would Geisel approve?

Throughout his career, the reclusive and perfectionist Dr. Seuss — Theodor Seuss Geisel — resisted almost every attempt to merchandise his mythical creatures fearing that the proliferation of the images he created would diminish their quality.

In his lifetime, Geisel earned $500 million in book royalties, and by all accounts left his widow, Audrey, generously provided for.

But soon after his death in 1991 at age 87, Mrs. Geisel made the decision to allow the Seuss name to be marketed.

Mrs. Geisel says the decision was necessary to protect the Dr. Seuss trademark. Friends of her husband suggest that the widow, 18 years Geisel's junior, is intent on keeping alive his flame. Though always big business, Dr. Seuss is now bigger than ever.

The privately held Dr. Seuss Enterprises does not report income, but in recent years, according to Business Week, it has earned $7 million to $10 million a year in residuals, primarily from books and television specials. Two years ago at Christmas, when Macy's offered Cat in the Hat Toys for $13.95, about 200,000 were sold.

It is a situation unthinkable in Dr. Seuss' lifetime. "I'd rather go into the Guinness Book of Records as the writer who refused the most money per word," Geisel said after one particularly lucrative offer.

When Geisel died, Mrs. Geisel planned to follow her husband's wishes not to commercialize the Seuss name, she said in a telephone interview recently from her home in La Jolla, California. But after a rash of counterfeit Dr. Seuss products, including T-shirts with the Cat in the Hat smoking marijuana and flashing a peace sign, she decided to allow the characters to be merchandised.

"It was a daily, daily struggle," said Mrs. Geisel, who today speaks of the Cat as if he were a living being. "I wish the Cat to go on indefinitely, as a literary cat, not a cartoon cat. The alternative was to kill it."

One reason to license the Seuss products, said Karl Zo-Bell, who is a trustee with Mrs. Geisel for Dr. Seuss Enterprises, is to protect the Seuss trademark. "Under the rules governing trademarks," he said, "if you don't defend them or use them, you lose them and they fall into the public domain. In order to protect the characters, we had to go into the marketplace."

Not everyone agrees that Dr. Seuss had to expand this much. "Dr. Seuss' characters are so famous that this expansion is not really necessary to get the kind of protection they feel they need," said Andrew Baum, a trademark lawyer with the New York City firm of Darby & Darby.

And some of those who knew Geisel say he would have hated the whole thing. "You look back: there weren't even T-shirts," said Judith Morgan, who with her husband, Neil, wrote the 1994 biography "Dr. Seuss and Geisel." "I do not think he would have allowed it." Christopher Cerf, whose father, Bennett, was Geisel's publisher at Random House, said: "I'm friends with both Audrey and Ted and I don't want to say too much. But if he were around, he would be absolutely resisting this, or riding herd like the perfectionist he was. I hope things remain true to his vision. Sometimes people think if you write a silly word and make up a rhyme, you've written a Seuss Rhyme. But it's not that way."

Theodor Geisel, the son of a parks superintendent in Springfield, Massachusetts, started drawing as a child, making doodles on his bedroom wall of the animals in the zoo his father supervised. In 1937, he had his first success: "And to Think That I Saw It on Mulberry Street."

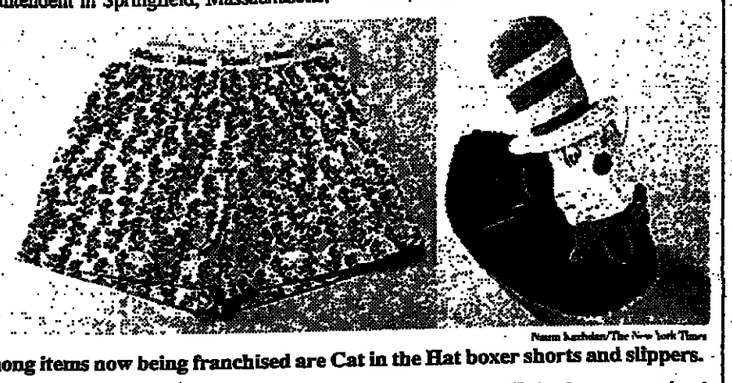
From the start, Seuss figures were different from those of animators like Walt Disney. They weren't conventionally cute. There was a distinct lack of sentimentality in their clean lines and pure colors. Above all, they may have looked like animals but in the end, unlike Disney characters, they were human.

The Dr. Seuss books became popular at the same time that children began devoting long hours to watching television, raising concerns about literacy. Geisel believed that children learned to read by repeating the same words over and over again. His most famous creation, "The Cat in the Hat" was written in 1955 on a bet with William Spaulding, the director of Houghton Mifflin's educational division, who challenged him to write a reading primer using a vocabulary of 225 words.

Spaulding gave him the words. And in his studio tower in La Jolla, where Geisel drew his cheeky creatures, he came up with a gawky, elastic-looking animal wearing a stovepipe hat.

The outcome, written in Geisel's trademark anapestic tetrameter, was "The Cat in the Hat." The critic Clifton Fadiman said the book was "probably the most influential first-grade reader since the McGuffey." Newsweek called it "the Muppets' Milton."

In all, Geisel wrote and illustrated 44 books, and wrote 14 more. His books were translated into 20 languages. Over the years, they were big business for Random House. "We estimate that about 20 percent of the first-born children in the United States have a Dr. Seuss book," said Harold Clarke, the president of Random House Children's Publishing.


Naum Kazhdan/The New York Times
Among items now being franchised are Cat in the Hat boxer shorts and slippers.

But throughout his life, Geisel was wary of success and zealously guarded the quality of his images, worrying over the colors of the inks and the paper in his books.

In 1951, "The 5,000 Fingers of Dr. T" was made into a film by Stanley Kramer. Geisel's biographers describe him as "in despair" at the film's screening because of the compromises made. It was "a scene of acute professional embarrassment that haunted Ted for the rest of his life," the Morgans wrote.

In 1987, when Coleco, the manufacturers of Cabbage Patch dolls developed a doll based on the Cat, Geisel canceled the contract because he felt the cat's smile looked like a smirk.

"I think the Cat has to be exposed to life as it is," Mrs. Geisel said. "Nothing is static in this world. Nothing remains in limbo. I hope my thrill will register with Ted, wherever he is."

DAWN PATROL

BBC 'Today': Setting the British Agenda

By Warren Hoge
New York Times Service

LONDON — It is hard to imagine a more convincing example of one broadcast's impact on its own culture than the one that recently emerged about Britain's leading news program.

In a new book on postwar politics, the historian Peter Hennessy reported that he had discovered the procedure that the commander of a Royal Navy submarine somewhere in the depths of the North Atlantic was officially counseled to follow to find out whether Britain would have survived a nuclear strike.

As the final step before opening sealed orders on retaliation, the skipper was to tune in to the BBC and listen for the network's "Today" program. "If the Trident commander could not pick up 'Today,' that would be that," Hennessy wrote. "He would then have to decide whether to launch the missiles or go off to New Zealand. He would know that there was no point in going back to base."

Many Britons — at least those 4 million who tune in to the program each morning — would not quarrel with that definition of the show's indispensability to British life. More than any other news program, it sets the agenda for public discussion in a country with a particular appetite and talent for debate. The Evening Standard recently called the program "the unacknowledged legislator of 1990s Britain," while its most famous host over 40 years, Brian Redhead, called it the best way of "dropping a word in the ear of the nation."

The current hosts of "Today," John Humphrys, Sue MacGregor and James Naughtie, are as well known here as the anchors of network newscasts are in the United States, although they are on radio, not television, and their program is broadcast at 6:30 A.M.

The major figures in public life clamor for the chance to appear on the program, even though it means a bracing encounter with aggressive interrogators and a ride across London to the Broadcast House studios in the predawn hours or a remote feed truck parked in their driveways in the middle of the night.

Contrary to prevailing trends on radio and television, "Today" has made its content increasingly serious in recent years. Politicians from Britain's two biggest parties have smarted from the sharper-edged questions, and, in a series of attention-getting episodes, set out to discredit their tormenters, though always unsuccessfully. "They've learned that when you lose your temper that early in the morning, you lose," said Justin Everard, a spokesman for "Today."

"Grown-up politicians like a tough interview," said Humphrys, who is the most prosecutorial in style of the three hosts — known as presenters. Last month, when Prime Minister John Major wanted to address his falling fortunes in a BBC interview from his home, he requested that Humphrys be the questioner. "Of course we get letters saying you were hard on so-and-so," Humphrys noted. "You got it wrong and all that kind of thing. But when it comes to our attitude to the politicians — especially the politicians — the message overwhelmingly is, 'Don't let the bastards get you down; stick it to them.' In fact, we want you to be tougher."

Americans might see their methods as verging on hectoring, but "the British would feel betrayed if we didn't ask tough questions," Naughtie said.

The three hosts rotate through the six-day-a-week schedule so that two of them are on every morning. They have a jocular camaraderie on the air, but also consider themselves surrogates for their no-nonsense-please listeners, the people who fill letters-to-the editor columns with laments signed "Disgusted of Cheltenham" and the like.

On a recent morning, the program had a typical mixture of subjects: business and sports reports, the reviews of the morning papers and the interviews — a Labor Party victory in an off-year election, proposed new restrictions on combat knives, a tuition increase at the London School of Economics, a meeting of European leaders in Dublin, overcrowding in British prisons, the effects of the embargo on Iraq and the newspaper-circulation war between The Times and The Daily Telegraph.

The interviewing is civil, articulate and when possible, contrarian. When Peter Stothard, editor of The Times, took his seat prepared to argue that his paper's increased circulation stemmed from its improving quality, McGregor began the questioning by saying, "Now it's really the price cuts, isn't it?" "The most exasperating thing for us and for the listeners," Humphrys said, "is to allow the interviewee to ramble and obfuscate." When a harried Cabinet member accused him of having interrupted 32 times in 10 minutes, Humphrys rushed to correct him. It was only five minutes, he said.

Jonathan Player/The New York Times
From left, Sue MacGregor, James Naughtie and John Humphrys, "Today's" three presenters in the studio.

PEOPLE

HARVARD University reportedly has accepted **Chelsea Clinton**. Now the question is: Will the president's daughter accept Harvard? **President Bill Clinton's** daughter was one of 985 prospective freshman accepted for early admission out of about 4,000 candidates, the Los Angeles Times reported. She has until May 1 to commit herself to being a member of the Harvard class of 2001. Chelsea and her mother, **Hillary Rodham Clinton**, visited Harvard last August, along with Amherst, Brown, Yale, Princeton and Wellesley, where Mrs. Clinton was graduated in 1969.

□

Michael Jackson is the father of a baby boy. A spokesman for the Cedars-Sinai Medical Center in Los Angeles said Jackson's wife, **Debbie Rowe**, and the baby had left the hospital on Thursday. "They're both doing fine," he said. He declined to say when the baby had been born. Reporters, photographers and fans had waited outside the hospital, while six uniformed guards stood watch in the lobby to keep the media out. Other guards were posted in the third-floor maternity unit. Jackson announced in November that Rowe, then a nurse at one of his doctor's offices, was six months pregnant with his child. The couple wed later that month.

□

France will bestow the Order of the Legion of Honor on the German conductor **Kurt Masur** on Friday. Masur, 69, musical director of the New York Philharmonic since 1991, led Leipzig's Gewandhaus Orchestra from 1970 to the end of 1996.

□

David Bowie has become the 2,083d celebrity to have a star dedicated to him on the Hollywood Walk of Fame.

□

An operation on a benign brain tumor that **Elizabeth Taylor** was to undergo has been delayed because she has the flu. This is the second postponement of the operation. Earlier this month, she delayed it so she could attend a gala to celebrate her 65th birthday and raise money to fight AIDS. The gala, "Happy Birthday, Elizabeth — A Celebration of Life," will be held Sunday, and Taylor's doctors said she would be well enough to attend. But the Monday operation will be delayed. "She will be hospitalized next week and undergo tests, but they will have to wait for her flu to subside before surgery," a spokesman said.

Frederick Brown/Reuters
The baby watch: A Michael Jackson fan, loaded with all manner of Jackson memorabilia, keeping vigil outside the Los Angeles hospital.

□

Candice Bergen is returning to "Murphy Brown" after all. She had said that this year would be her last in the television sitcom, but CBS has announced that she will return for the show's 10th year. Last fall Bergen said: "For the first time, it's difficult for me." Her husband, the film director **Louis Malle**, died in November 1995.

□

American Express has filed a $1.6 million suit against the Death Row Records rap mogul **Marion (Suge) Knight** and the company's lawyer for unpaid charges. American Express alleges that Knight and the attorney, **David Kenner**, chalked up the expenses on chartering planes, luxury Las Vegas and Beverly Hills hotel rooms, meals and cigars. How did they manage to rack up such a tab without having their cards yanked? An American Express spokesman said they had "been members in good standing for quite some time."

□

Noel Gallagher of the British pop group Oasis has canceled his wedding just days after his younger brother called off his wedding, the Mirror reported. Noel Gallagher had planned to wed **Meg Matthews** on Valentine's Day while the media's attention was focused on the wedding of his brother **Liam**. But Liam Gallagher scrapped his wedding to **Patsy Kensit** at the last minute on Monday, blaming "obsessive and intrusive media attention" for the change in plans.

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